

Post Office will show record profit of £360m

A record profit of about £360m for the year ending last March 31 is expected to be announced by the Post Office later this month. The telephone services, postal services and Giro parcels services are understood to have covered their costs. The corporation's board is likely to face criticism about the size of the profits but they could prevent price rises at least before the end of this financial year. Notable among the profit figures was Giro which had its fourth year running.

Telephones and mail make big surpluses

Maurice Corina, Industrial Editor. The Post Office Corporation will shortly announce a record profit of around £360m, after supplementary depreciation, on operations for the year ending March 31, 1978. Both the postal and telecommunications services beat their profits targets, and the corporation made nearly its highest year in surplus. Official figures will be released on July 24 and it is expected that the corporation, which is now totally self-financing with large reserves, will announce an increased capital spending programme, particularly for telecommunications, as the next generation of electronic exchanges has to be financed. The handsome profits earned by the Post Office for the year ending March 31, 1978, the last financial year in spite of constrained economic growth, besides the highly profitable telephone services, postal services were again firmly in surplus at around £30m and even its troublesome parcels service apparently managed to cover its costs. The results have given a flying start to the new board, which includes employee representatives, under a new chairman, Sir William Barlow, recruited from outside the corporation. Sir William can be expected to face some criticism

of the size of profits, which are likely to help to stave off any sizable price rises until at least the end of this financial year. Substantial profits, however, are required to meet assurances to the Treasury that the corporation, now paying off prematurely some of its foreign debts, will not need to borrow and can fund a £1,000m spending programme for fixed assets for the current year. At some stage, decisions have to be announced by a radical plan to alter the loan capital structure to stop the drain on revenue accounts of deficit payments to the Post Office Superannuation Fund. The fund's deficit has been due another actuarial review, but it has already been announced that a new way of dealing with deficiency payments is under negotiation with the Government and the fund. Likely to be somewhat overshadowed in the annual report, when it is published, will be the success of Giro, where a profit of £2.75m has been earned—the fourth surplus running—contrasting with £20m of losses between 1974 and 1977. A three-year target set by the Government for Giro has been more than met. Giro is now handling more than 360m transactions annually and customer balances have shot up from £182m in 1976-77 to £230m while the number of accounts has risen by 20,000 in the past year to 580,000. Business deposits are well up too.

Mr Heath to back leadership in poll fight

By Our Political Correspondent. During the general election campaign I shall fight just as hard as I have ever done for the return of a Conservative government. Mr Edward Heath, the former Conservative leader, told a by-election meeting at Stockbridge, Penistone, last night. He added: "I shall do so because I believe it to be in the best interests of Britain." In a speech obviously intended to reassure those who have doubted his wholehearted support for Mrs Thatcher, Mr Heath spoke of his appreciation of the millions of Conservative voters who supported him and his colleagues in what they sought to achieve in government. "They can be assured that I shall continue to play my part and that the change of leadership makes no difference to my determination to install a Conservative government once again in office," he said. "I wish Mrs Thatcher and her colleagues every success. Together we must fight hard to gain the victory we all want." (Later, Mrs Thatcher welcomed the "warm terms" in which Mr Heath had pledged his support (the Press Association reports). "It will give me added strength to the Conservative cause in the battles ahead," she said.) Mr Heath made it clear, however, that he was to disavow the Shadow Cabinet from adopting right-wing policies that may alienate people in the middle ground of politics. To achieve success, the Conservative Party must show that it is broadly based and that its sole concern is the welfare of all our fellow citizens. The British people are moderate and fair-minded. After the last four and a half years they want to see a



Dethroned: Last year's queen of Wimbledon, a disconsolate Virginia Wade after she had lost her crown to Christine Evert, the No 1 seed, by 6-6, 6-2 after an hour and 36 minutes in the semi-final round. In tomorrow's final, Miss Evert will meet Martina Navratilova, the No 2 seed, who beat her at Eastbourne two weeks ago. Miss Navratilova beat Evonne Cawley, 2-6, 6-4, 6-4. Mrs Cawley was affected by an injured ankle and she later withdrew from the women's doubles. Two old favourites, John Newcombe and Tony Roche, may have made their farewell appearances after losing to Hewitt and McMillan in the men's doubles. Report, page 10

Egyptian peace plan increases doubts of London breakthrough

From Christopher Walker, Cairo, July 5. After weeks of speculation, rumour and officially inspired press leaks, the formal publication here today of the revised list of six Middle East peace proposals, which Egypt has now presented to the Israelis, came as something of an anticlimax. First mentioned by President Sadat during a newspaper interview earlier this summer, the plan centres on the withdrawal of Israeli forces from the occupied West Bank (including East Jerusalem) and the Gaza Strip for a transitional period of five years. During this period, the territories would be handed back under United Nations supervision to the Jordanian and Egyptian administrations, and Egypt and Jordan would guarantee security. At the end of the five years, the Egyptian Government stated today, "the Palestinian people will be able to determine their own future". Although the gist of the proposals was known in advance, their publication has increased the mood of pessimism in diplomatic circles about the possibility of the tripartite London conference achieving any breakthrough in the peace process. The main sticking point is still the status of the Arab lands seized in June, 1967. In recent private briefings, senior Egyptian officials have been putting renewed emphasis on the vital need to find a solution to the Palestinian problem. This is reflected in the opening proposal of the new plan, which states: "The establishment of a just and lasting peace in the Middle East necessitates a just solution of the Palestinian question in all its aspects, on the basis of the legitimate rights of the Palestinian people and taking into consideration the legitimate security concerns of all the parties." The Egyptian proposals only run to just over 400 words. They make it very clear that all Israeli settlements in the occupied lands must be returned and the present military government in the West Bank and Gaza Strip abolished at the outset of the five-year period. Observers here found little new in the revised plan, which by its brevity and general nature leaves a great number of important questions unanswered. Some diplomats noted that a crucial part of its implementation would depend on Jordan, which has been adopting a low profile towards President Sadat's peace initiative in recent months. Commenting on the situation envisaged during the five-year period, the fifth proposal states: "Jordan and Egypt shall carry out their responsibility in cooperation with freely elected representatives of the Palestinian people who shall exercise direct authority over the administration of the West Bank and Gaza. The United Nations shall supervise and facilitate the Israeli withdrawal and restoration of Arab authority."

Mugabe defectors reported in Swaziland

From Nicholas Ashford, Johannesburg, July 5. There was a mystery tonight about reports originating in Salisbury that 15 dissident senior members of Mr Robert Mugabe's Zimbabwe African National Union (Zanu) had fled to Swaziland from Mozambique where they had been prisoners for the past three months. Official and diplomatic sources in Mbabane and Maputo were unable to confirm that such an escape had taken place. According to the reports, which were given prominence in South Africa and Rhodesia today, the 15 were former members of Zanu's central committee who had been imprisoned after a split within the organization earlier this year.

Quoting highly-placed sources within the Rhodesian transitional government, the reports said that among those who had fled to Swaziland were "General" Joseph Chimurenga, Mr Rugare Gumbo, Zanu's former publicity secretary, and Mr Henry Hamidziri, its secretary for manpower. So far only one of the dissidents has been seen in Swaziland. He is Mr Gibson Sibhole, aged about 18, who claims to have been a bodyguard for various Zanu leaders. He is believed to be related to Rer Ndabani Sibhole, one of the leaders in the interim Rhodesian government. Since his arrival in Mbabane he has had talks with Mr Noel Mhango, the secretary for foreign affairs of the Sithole wing of Zanu.

Bishop Abel Muzorewa, current chairman of the ruling Executive Committee in Rhodesia, told a press conference in Johannesburg today that he had known about the escape of Zanu officials for about 10 days. He called on them to return to Salisbury and take part in the transition to black rule. What is known for certain is that powerful Zanu officials were arrested earlier this year for planning to overthrow Mr Mugabe. At the time they were said to have made their escape, they were believed to have been in a prison near Beira, about 800 miles north of the Swazi border. If they did manage to escape over such a distance, it could only have been with the complicity of the Mozambique

authorities, and if this were confirmed it would be of great significance to Rhodesia, as it would indicate a decline in Mozambique's support for Mr Mugabe's wing of the Patriotic Front guerrilla organization. Our Salisbury Correspondent writes: Some reports say that the 15 are seeking political asylum in Britain or Rhodesia. Political circles here believe that if the 15 return to Rhodesia, and openly support the internal settlement, they might tempt many guerrillas to lay down their arms. Both Bishop Muzorewa's United African National Council and the Sithole wing of Zanu are hoping that the 15 will join them. Rhodesia leaders to tackle discrimination, page 8

Ghana's military ruler quits to 'ensure unity'

By Kenneth Mackenzie. The other leaders fled the country. General Acheampong, Ghana head of state, resigned yesterday and handed over power to Lieutenant-General F. W. K. Akuffo, Chief of General Staff. An official announcement said the decision had been taken to ensure the unity and stability of the country. No other reason was given. General Acheampong also retired from the armed forces with immediate effect. The Ghana News Agency said the news had stunned the nation and Ghana's border with Togo had been sealed. It is thought in London that General Acheampong has bowed to pressure within the Army to resign because of discontent about the proposed introduction of "union government" by July of next year. This was General Acheampong's plan to return to a non-party form of civilian government by July of next year. A referendum was held on the proposal on March 30 and the military Government was shocked by the extent of opposition. The official results gave a 54 per cent "Yes" vote, but 46 per cent "No" vote, but doubts were expressed about the authenticity of the figures. Since the referendum about 40 people have been arrested, including many of the leaders of the principal opposition group during the referendum, the People's Movement for Freedom and Justice. Most of the other leaders fled the country. General Acheampong is solidly opposed by the professional class, students, wide spectrum of former politicians. It is thought that many in the Army realized that there could be no peaceful transfer to civilian rule under his leadership. It is possible that the whole idea of "union government" may now be dropped and elections organized. Oddly enough, the main support for General Acheampong and his "union government" idea has come from former supporters of President Kwame Nkrumah that is, former members of the Convention People's Party. This has disturbed some of the more right-wing in the army, who regard the CPP men as "communists". General Akuffo, a fierce-looking man with a large military moustache, is known as a correct and traditional army officer. He represented Ghana at the last Commonwealth conference in London. General Acheampong, who is 47, seized power in January, 1972, from the elected government of Dr Busia. A devout Roman Catholic, he was held in some respect by many people in Ghana, although his government notably failed to solve the economic problems the country faced—inflation is now running at about 150 per cent—and serious allegations of corruption have been made against it.

Children ue firms ver lead n petrol

Trevor Fishlock. Writs were issued yesterday in behalf of three children in London claiming damages from Shell and BP petrol companies and the Ford Motor company, on the ground that lead in petrol fumes is harmful health. The children's parents allege assault, nuisance and negligence, saying there is connexion between brain damage in children living in cities and towns and the lead emitted from exhaust pipes. A lead-processing company, associated Ocel, in which BP and Shell have a large interest, also named in the writs, filed at the Mayor's and City of London Court. The claims say that the fumes are poisoning the atmosphere and causing brain damage to children. They refer to the United States, West Germany, the Soviet Union and Spain, where lead has been banned from petrol, or strictly limited, under the law. Recent research, they say, shows a link between brain damage in urban children and the smallest traces of lead in their blood. Each child is claiming damages of £50 for suffering from effects of lead in petrol fumes, and £10 special damages for nuisance, assault and negligence. The children are named in the writs as being typical of urban children living near roads. The claims allege that BP, Shell and Associated Ocel are negligent in manufacturing a poisonous product for general use, failing to lower the level of lead in line with that of other countries and failing to do enough research into damage to children caused by lead. Ford are negligent, the writs say, because they have fitted filters to control emission of lead from their cars. The writs were issued on behalf of Gulliver Handley, aged five months, Fidel Eden, aged two, and Marilyn Perry-Speyer, also aged two, all live in west London. Their parents said yesterday that the writs were issued to draw more attention to the danger of car-produced lead in the atmosphere. There will be a pre-trial view of their claim on August

Miners agree planning pact

The Government has concluded its first planning agreement with a nationalized industry with the participation and assent of the unions. The agreement is between the Department of Energy and the National Coal Board and was signed at the National Union of Mineworkers' conference. Mr Anthony Wedgwood Benn, Secretary of State for Energy, also announced an investigation into the possibility of more coal being used at power stations. Page 21

Toxic chemicals plan

A scheme for the early identification of hazardous new industrial and commercial chemicals has been prepared for the Government. The annual meeting of the Society of Chemical Industry was told about it at Newcastle upon Tyne by Mr Edward Langley, of the Health and Safety Executive. Page 2

Cairngorms rescue

Nine London schoolboys and a teacher, who spent Tuesday night sheltering in bad weather in a high pass in the Cairngorms, have been rescued by helicopter. Four boys were taken to hospital suffering from exposure. A search by rescue services was at one time withdrawn because of the weather. The party had been on a hiking tour of the Cairngorms. Page 2

Joint Chrysler approach

Chrysler management and the Amalgamated Union of Engineering Workers are to make a joint approach to the Government for permission to breach the 10 per cent pay guidelines so that the company can keep a promise made to workers three years ago. Their strike, which has stopped all car assembly, is to continue until the result of the approach is known. Page 21

Gillette Cup record

A magnificent 139 not out by Richards, the man of the match, took Somerset to victory over Warwickshire in the Gillette Cup at Taunton with 17 balls and six wickets to spare. Their 297 for four was the highest winning second-innings score in the history of the competition. Page 12



NHS anniversary: Mr James Callaghan chatting with Mr George Isaacs, aged 96, who was Minister of Labour and later Minister of Pensions in the 1945 Labour Government, during a reception in London to mark the thirtieth anniversary of the National Health Service. The Prime Minister urged staff to agree on procedures to avoid sudden stoppages, which harmed patients. Report, page 4

Seoul opposition barred

All potential opposition candidates for the South Korean presidency have been placed under house arrest by President Park only 24 hours before the electoral college votes to choose a new president. When registrations closed President Park was consequently the only candidate and it now seems certain that he will be reelected for a fourth term by an overwhelming majority. Page 9

Blow for Boeing airliner

A flight operations team from British Airways has recommended that it buy planes from McDonnell Douglas rather than the proposed Boeing 737 favoured by the management. The team recently returned from America where they saw progress on design from the company's new airliners, in visits to Seattle and Los Angeles. Page 21

Shoplifting warning: Posters and leaflets giving a warning on the penalties for shoplifting are to be displayed in British embassies where potential visitors apply for visas. 4

Geneva: Dr Kurt Waldheim studies allegations that United Nations official is KGB agent. 8

Report envisages GLC as London's strategic master

By Christopher Warman, Local Government Correspondent. The Greater London Council was presented yesterday with proposals designed to make it the strategic master of Greater London by giving it powers now held by the central government and by calling on it to shed some of its present functions to the boroughs. The proposals come after a year-long inquiry by Sir Frank Marshall at the request of the GLC's Conservative administration when it came to office in May last year. Mr Horace Cutler, leader of the council, welcomed the report as the first step towards achieving one of the council's principal objectives, turning itself into a purely strategic authority. He said he hoped that several of the recommendations would be included in the council's general powers Bill. The Bill is to be redrafted in the light of the report before submission in about a fortnight. The main point of the report, he said, accorded with the aims of the Conservative administration, which was to reduce government interference in GLC matters and less GLC interference in London borough matters. The other main political parties criticized the proposals. Sir Reg Goodwin, leader of the Labour minority, which refused to give evidence to the inquiry, said: "This is a verbose document containing many secondhand ideas and some clearly unworkable propositions." As far as the recommendations on GLC powers were concerned, Sir Frank had repeated the proposals put forward last December by the GLC Labour group. The London Liberal Party, which lost its two seats on the council at last May's election, said the report was "a weak, timid document that does not even start to come to grips with the radical changes required". It added: "Marshall has merely produced a piece of tinkering here and a bit of reorganization there." The party called for the abolition of the GLC. Instead there should be a great devolution of power from Westminster to a new regional authority covering the GLC area and the outer metropolitan area. Sir Frank Marshall, who is 62, has had long experience in local government and was chairman of the Maplin Development Authority 1973-74. In his inquiry he was assisted by 13 advisers from local government and academic life. GLC criticized, page 2

Helsinki group member to be tried next week

Moscow, July 5.—Mr Alexander Ginzburg, a leading member of the dissident "Helsinki" group and a close friend of Alexander Solzhenitsyn, the exiled author, is to go on trial next Monday, his wife said today. Mr Ginzburg, aged 41, who has been held in pre-trial detention for 17 months, faces charges of anti-Soviet activity and could be sentenced to up to 10 years in a labour camp. Mrs Arina Ginzburg, his wife, told reporters by telephone that news of the trial date came from his lawyer. It would be held in Kaluga. The trial will be the second of a leading "Helsinki" group member whose case has been championed by President Carter's Administration. In May Dr Yuri Orlov was sentenced to seven years in a labour camp and five years in internal exile on the same charge.—Reuter.

Archdeacon faces insults charge

The Venerable John Ross Venns, aged 63, has appeared before magistrates at Wimbledon, London, accused of using insulting behaviour likely to cause a breach of the peace at the tennis championships. He pleaded not guilty through Mr Patrick Drury, his counsel. He was remanded until August 10 for the police to prepare the prosecution case. He is a chaplain to the Queen and was Chaplain General to the Forces from 1966 to 1974. He lives at Hook Heath, near Woking, Surrey.

14-vote majority

A Government motion in the Commons to enable the raising by 11 per cent of the employers' national insurance surcharge to be included in the Finance Bill was carried last night by 234 to 270 votes, a majority of 14.

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HOME NEWS

GLC has forfeited the public's confidence, report on London administration says

By Christopher Warman
Local Government Correspondent

Far-reaching changes in the running of London's local government are recommended in an independent report to the Greater London Council published yesterday. They would give the GLC extra powers at the expense of the central government and would transfer certain functions from the GLC to the London boroughs.

The report is by Sir Frank Marshall, who was asked last year by the incoming Conservative administration to examine the role of the council. In his report he strongly criticizes the local government system obtaining now in London. He says:

"The GLC has forfeited the confidence of the public because it has not demonstrated its relevance to their lives. It must go out of its way to

communicate its activities and policies to them."

Many people believed that too big a share of their income was swallowed by town hall and county halls and that they gave far too little in return. "It is no use local government simply pointing to the benefits of the services it provides. Most people are not interested in seeing the quality of the cloth for its own sake, but only to see if it is worth the price."

At a press conference to introduce the report Sir Frank was asked: "London could afford the changes he proposed. I do not know whether it can afford to make the changes." He replied: "It certainly cannot afford not to."

The present system was unsatisfactory and did not give value for money. It did not appear relevant to the people who paid the rates, was impracticable, and was a

cause of duplication, delay, and

frustration. "London cannot afford to muddle on much longer."

In his report Sir Frank concludes: "The combined effect of the proposed measures will be to strengthen local democracy by improving public accountability and restoring the confidence of Londoners in the affairs of London government."

He hoped that for the future the role of the metropolitan sole authority could develop through the exercise of powers of resource planning and allocation, devolved from the central government.

"They might include powers of capital authorisation, independent forms of local taxation, and the distribution of Exchequer grants within London, which the power to influence the direction of the policies of public utilities outside the present remit of London government."

Councils get call to stop central control

From Our Local Government Correspondent

Local authorities were urged yesterday to do all they could to resist central control. George Jones, Professor of Government at the London School of Economics, addressing the annual conference of the Society of Local Authority Chief Executives at Bournemouth, argued against undue influence on councils by central government.

Government departments tended to go beyond what the law allowed, and to exercise non-statutory influence, he said. But councils could use the law to turn back the tide from the centre. Circulars, letters and exhortations did not have to be obeyed.

Dr Jones, a member of the Layfield committee on local government finance, emphasised that local government should fight vigorously to ensure that central government controls were not extended, especially in the field of finance, where central grants had become so important. He recommended a campaign for a local income tax to replace them.

Dr Jones said that local government staff were of far higher calibre than civil servants. The latter were often people who had read Latin, Greek and ancient history at Oxford, he said, while local government staff had proper qualifications and professional skills.

Mr W. J. Jackson, the president, and chief executive, of Doncaster, said that the safety of local control by central government "usually is in the guise of giving us more power or improving our efficiency."

The latter was the most difficult to counter because "how can we not take part in or indeed encourage activities which lead to greater efficiency?"

Leading article, page 17

Fairford 'benefit' from choice as US base

By Henry Stanhope
Defence Correspondent

The Government has confirmed that the RAF reserve airfield at Fairford, Gloucestershire, is to be made available to the United States Air Force as a base for 15 KC-135 tanker aircraft. The decision was disclosed in *The Times* yesterday.

Mr Frederick May, Secretary of State for Defence, who made the announcement in the Commons, said at a press conference last night that the agreement to base the extra tankers in Britain was a significant step in strengthening the alliance.

A test programme with KC-135s will begin at Fairford in the autumn so that the USAF can sort out any difficulties, which are expected to be minor. The first five tankers, which are modified Boeing 707s, should start operating there next May.

Mr Mulley said the basing of about 1,200 American airmen and their families at Fairford would benefit the local community by between £3m and £5m a year. About 150 local jobs would be created and there would be building work for local contractors.

He said the country to keep the council informed was not kept.

Mrs Mable Ellis, a councillor, said: "The Americans might not find themselves as welcome in this county as they have been in the past."

1977, and May, 1978, involving

aircraft on exercises and training.

By contrast only about eight of the 15 tankers are expected to be flying at any one time, and for most of the year will be restricted to daylight on Mondays to Fridays.

The Americans want the additional tankers to cope with the inflight refuelling needs of the growing number of combat aircraft in Europe. A request by them to reactivate the stand-by base at Greenham Common, near Newbury, Berkshire, was passed to the Ministry of Defence in January. But Greenham Common, which would have been the cheapest and easiest alternative, was ruled out by the minister in May after a local protest campaign.

Local view: The decision met with disapproval in Gloucestershire (our Gloucester correspondent writes). The county council's policy and resources committee agreed to a motion, strongly objecting to the ministry's "lack of consideration and the disgraceful treatment meted out to Gloucestershire County Council." It was stated that a promise to keep the council informed was not kept.

Mrs Mable Ellis, a councillor, said: "The Americans might not find themselves as welcome in this county as they have been in the past."

Parliamentary report, page 6

'Tribune' protest at top salaries decision

By Our Political Correspondent

The Tribune Group of MPs is protesting against the Government's decision to implement the Boyle committee's recommendations on top salaries, although party management believes that the case put by Mr James Callaghan, the Prime Minister, and Mr Denis Healey, Chancellor of the Exchequer, at Tuesday's Parliamentary Labour Party meeting has convinced most backbenchers that the Government is right in its decision.

Thirty-four Labour MPs, nearly all of them Tribune Group members, have signed the motion tabled in the Commons on Tuesday night by Mr Stanley Thorne, MP for Preston, South, deploring the action of the Cabinet in pay by three stages minimum increases in salary to judges, chairmen of nationalised boards and others, and calling for "an outrage to the working class people in Great Britain who create the wealth of the United Kingdom."

There will probably be more controversy in the party when the Government announces its decision on Lord Edmund Davies's committee, which has been considering police pay. Questions last night listed the names of the companies whose names were first published in *The Times* of May 25. The list has not been denied.

advances to accepting the recom-

mendations, subject to "possible phasing".

Reports that the recommended increases averaged 41 per cent were accurately described last night as misleading.

The recommendation is for rises that are accepted to be "significant" some police officers will get more than 41 per cent, but the great majority with rises of less.

The police have already received pay rises of 10 per cent for this pay round. Thereafter, although the Government eschews the phrase "special pay", it is likely to get special treatment, placing them well above the modest Phase Four increases that the Prime Minister has been urging. Pay blacklists: In an attempt to force the Government into admitting that its pay sanctions companies, Mr Healey is being blacklisted as a Conservative MP. He has written to the companies to secure their agreement to having their names confirmed as being on the list (our Political Editor writes).

It seems a classic question of the type: "When did you stop beating your wife?" Mr Michael Latham, Conservative MP for Merton and arch-moult of the blacklists, tabled questions last night listing the companies whose names were first published in *The Times* of May 25. The list has not been denied.

Capital 'should control its own roads'

The main recommendations in Sir Frank Marshall's report are:

Roads: The GLC should have overall responsibility for London's highways, including trunk roads. It should define whatever key network means metropolitan needs and should set and implement investment plans for that purpose. The boroughs should take full responsibility for all other roads. The GLC should assume "overall responsibility for the whole public transport network, setting fare policies, approving investment plans and coordinating services and associated facilities. It should establish a contract with British Rail for the whole range of suburban services and take management control of London Transport.

Docks: The Docklands Joint Committee should be abolished. The GLC should be the sole planning authority for the area and have the means to implement the dockland strategy.

Planning: Responsibilities should

be clarified and streamlined. The GLC's concerns should be with broad matters of strategic importance, setting clear guidelines within which the boroughs should act. An investigation is needed into the question whether the whole of Heathrow airport should be brought within the boundaries of Greater London, industry and employment. The GLC should make a positive role in promoting industrial development and the creation of jobs, acting in partnership with the boroughs. It should have powers to acquire and to make grants. Housing management certificates and office development permits should be abolished.

Housing: The GLC should control the allocation of all capital funds for the provision and improvement of London's housing. The GLC should be the sole planning authority for the area and have the means to implement the dockland strategy.

Education: Inner London should

continue to have a single education service, but it should be a London borough through a statutory joint committee. This proper responsibility and accountability may be introduced.

Health: The GLC should eventually become the regional health authority for London, and the boroughs should control the district management teams. The area health authorities should be abolished.

Police: Those departments of the Metropolitan Police that operate nationally should be detached from those providing services for London alone. Close links should be established between the latter and the GLC through a police committee. The latter would approve the police budget, but would not have operational control of the force.

Leading article, page 17

Mr Heath urges efforts to recreate sense of purpose

Continued from page 1

September, for fear of what might follow.

In the forthcoming campaign the Conservatives' task, not an easy one, would be to dispel the complacency that "exuded from Mr Callaghan's complacency which he attempts to spread over other people."

One could be forgiven for asking what the Prime Minister had to be complacent about. He was the head of a government that presided over the highest inflation Britain had ever suffered, largely because of the significant wage explosion of 1974 and 1975 under Labour.

He is the head of a government that has presided over the largest number of unemployed in Britain for 40 years, in part the consequence of the inflation which he himself instigated. The young on the dole queues, the old prematurely retired, have him to thank for their plight.

The Government had presided over a fall in the pound of nearly a fifth and over an economy that had been stagnant for more than four years. National production today was

barely more than during the

three-day week in 1974.

"We must then make the effort together to reestablish our confidence, recreate our sense of purpose, and gain satisfaction from fresh achievements."

Turning to foreign affairs, Mr Heath said Britain must have a government that was respected abroad and could provide leadership in international affairs. For nearly five years the Western world had been living in a crisis.

Soaring inflation swept across most countries, the result of a loss of confidence in the price of oil.

As yet there was no sign that the difficulties caused by that disequilibrium in the world economy were being tackled, let alone "our right. No single country could spend its own solutions could be brought about only through international agreement on common action."

In a few weeks' time the heads of government of the seven main Western industrial

countries would be meeting in

Bonn to consider their situation.

"May I remind them that once before, in the early thirties, the world economy faced difficulties at least as great as those which confront us today?" Mr Heath said, adding: "At that time, also, a meeting of heads of government was called to try to secure international agreement on remedies for massive unemployment, the dramatic drop in production and the slump in world trade."

That conference failed, in large part because President Roosevelt, the head of economically the most powerful country in the world, was unwilling to take part in the common action necessary to deal with the crisis. We all know the consequences.

The speech was the subject of much comment and analysis at the Commons last night. Some of the opposition leader's closest colleagues were saying that Mr Heath's speech meant that he is backing Mr Thatcher all the way.

Leading article, page 17

Scheme devised to identify toxic chemicals

By Pearce Wright

A scheme for the early identification of hazardous new industrial and commercial chemicals has been prepared for the Government. It was described yesterday by Mr Edward Langley, of the Health and Safety Executive, to the annual meeting of the Society of Chemical Industry at Newcastle upon Tyne.

Screening for the toxic effects of substances had been concentrated until recently in a few areas, such as drugs, food and pesticides, but it was said it was prudent to demand extensive testing and to apply large safety factors for those commodities.

An identical procedure was not appropriate for the screening of industrial chemicals, he said, because they were not used in quantities greater than one tonne a year. Total world production was about seven million tons in 1970, 63 million tons in 1976, and expected to reach 150 million tons by 1987.

They had such a wide use that it was not surprising that some gave rise to hazards both in the work place and the natural environment, he suggested. Health and safety legislation ensured that proper control was exercised at work. However, there was growing

public concern at the number of incidents of exposure to toxic substances outside the work place, arising from ignorance, neglect or accident.

The Government intended for general industrial and commercial use were not subjected to the same screening procedures as those for safety tests of drugs, food additives and pesticides. Yet cases of serious illness and even premature death had occurred among people involved either in the manufacture or use of those substances after long latent periods. With that in mind it was but a simple step to apply similar screening tests for general industrial chemicals.

However, the Health and Safety at Work Act covered the responsibility of employers, which could allow a more appropriate system to be adopted. All manufacturers, importers and suppliers of substances for use at work had to ensure, under the Act, so far

as was reasonably practicable, that the substance was safe and without risk to health when properly used. One of the principles underlying the Act was to ensure that the person who created a hazard was also the one responsible for identifying the means whereby it might be mitigated.

The onus rested with the manufacturer to determine just how much testing, evaluation and research was needed for each substance. That applied equally to research chemicals made in small amounts for specific experiments and the myriad chemicals, mixtures and compounds created in everyday commercial use.

It would become compulsory for companies to notify the Health and Safety Executive of the toxic properties of new substances. The scheme was directed at new agents because of the limited resources available for the skilled examinations needed.

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Nine boys rescued in Cairngorms

Nine London boys were

rescued by helicopter yesterday after sheltering in a Cairngorms pass in very bad weather. Four were taken to hospital suffering from exposure and were said to be in a reasonable condition.

Rescue forces, which had searched most of Tuesday night for the party, had to withdraw at one stage because of bad weather, but the search was resumed at dawn yesterday and the boys were found.

They were sheltering at Lairig Ghru, "the gloomy pass" in Gaelic, which forms part of a long-distance walk from Braemar to Aviemore.

The party, from Stratford School, Forest Gate, east London, had been in the Cairngorms since Saturday. One of the boys fell ill and two teachers set out from their camp on Tuesday night to rescue the sick boy. Another teacher stayed with the nine. But in the bad weather it proved impossible for rescue services to pinpoint the boys' orange tent until yesterday morning.

After hearing that the boys were safe Mr Douglas Harding, deputy headmaster of the school, said: "We should have no qualms about sending another hillwalking party to the Cairngorms again next year."

Scouts found: Five Scouts, two of whom were suffering from severe exposure, were found after a search on the Isle of Arran, in the Firth of Clyde, early yesterday.

The Scottish Scouts, who had been camping at Glen Sannox, were taking part in a cross-country walk. Rescue teams were called out on Tuesday night when they failed to arrive at a check point.

A cool, N air-mass persists over the British Isles.

Forecasts for 6 am to midnight.

London, SE and central England, Midlands, Channel Islands: Mainly dry, sunny intervals developing; wind NW, moderate; max temp 17°C (63°F).

E. England, E. and NE England, Borders, Edinburgh and Dundee: Occasional drizzle, rather cloudy; wind NW, moderate to fresh; max temp 14°C (57°F).

SW England, Wales: Mainly dry, few showers in W, sunny intervals developing; wind NW, moderate; max temp 17°C (63°F).

NW England, Lake District, Isle of Man, SW Scotland, Glasgow: Moderate to fresh, max temp 17°C (63°F).

Today

Rise: 4.51 am, 9.19 pm

Moon rises: 6.10 am, 9.32 pm

First quarter: July 13.

Lighting up: 5.49 pm to 4.22 am.

High water: London Bridge, 3.23 am, 6.58 pm (22.5 ft); 3.57 pm, 6.58 pm (22.5 ft).

Avonmouth, 8.44 am, 12.2m (40.2 ft); 8.55 pm, 12.5m (41.0 ft).

Dover, 12.35 am, 6.2m (20.2 ft); 12.43 pm, 6.4m (20.9 ft).

Bull, 7.34 am, 6.9m (22.6 ft); 8.2 pm, 6.8m (22.1 ft); Liverpool, 12.35 am (28.9 ft); 12.51 pm, 8.6m (28.3 ft).

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Nairac appeal rejected

An appeal against conviction and sentence by Liam Patrick Townson, aged 25, who was jailed for life for the murder of Captain Robert Nairac, has been rejected in Dublin.

Blast man recovering

Mr Stuart Fort, who was injured by a parcel bomb at a north London bookshop on Tuesday, was reported yesterday to be in a satisfactory condition at University College Hospital.

Girl on soliciting charge ordered out of London

Lisa Thompson, aged 19, fell

into the West End vice trap within a week of arriving in London from Sheffield. It was stated at Marlborough Street Magistrates' Court, London, yesterday, Mr Eric Crowther, the magistrate, ordered her to leave London.

Miss Thompson, unemployed, of Shelley Drive, Dinnington, Yorkshire, arrived in London on Sunday afternoon. She was said to have received two police cautions since arriving in London a week ago.

When told the girl had only 12 left, Mr Crowther said: "You are doing no good here," and banned her from London pending a remand for reports. She was granted bail until August 2 and ordered to leave London by 10 pm and to report to a probation officer in Sheffield today.

Yasmin Walker, aged 20, from Croydon, admitted a similar charge and was banned from the West End pending a remand also to August 2.

Our Legal Correspondent said: Under the new Bail Act a magistrate can impose conditions on bail, such as requiring the defendant to surrender, a passport, stay at a particular address, or keep away from a particular place. But the conditions must be relevant to the offence charged or the circumstances of the defendant.

Scheme to stop exploitation of homeworkers

By Our Social Services Correspondent

The Government last night announced action against employers who exploit homeworkers, but it was criticised by Mr Jack Ashley, Labour MP for Stoke on Trent, South, for not going far enough.

Mr John Grant, Under-Secretary of State for Employment, in a Commons written reply, said that a homeworking unit would be established within the wages inspectorate and a joint advisory committee, with union and employer representatives, set up to monitor its progress.

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The Arts Council Shop,
28 Sackville Street,
W1.

Dillon's University Bookshop Ltd.,
1 Malet Street,
WC1.

*The name can also be found spelled Ghoshghai, Ghoshghai, Ghoshghai.

Weather forecast and recordings

Today

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Bull, 7.34 am, 6.9m (22.6 ft); 8.2 pm, 6.8m (22.1 ft); Liverpool, 12.35 am (28.9 ft); 12.51 pm, 8.6m (28.3 ft).

Argyll: Mainly dry, sunny intervals developing; wind NW, moderate to fresh; max temp 16°C (61°F).

Central Highlands, Moray Firth, NE and NW Scotland, Orkney, Shetland: Mainly dry, but or sunny intervals; wind N, fresh; max temp 13°C (55°F).

N Ireland: Scattered showers, bright or sunny intervals; wind N, moderate, occasionally fresh; max temp 15°C (59°F).

Outlook for tomorrow and Saturday: Most places will be dry with sunny periods, but W areas especially will become cloudier later; rain; temp below normal.

Sea passages S North Sea, Strait of Dover, English Channel (E): Wind NW fresh or strong; sea moderate becoming rough at times.

St George's Channel: Wind NW to North, fresh, locally strong; sea moderate.

Irish Sea: Wind NW, fresh or strong; sea rough.

Yesterday

London: Temp: max 7 am to 7 pm, 14°C (57°F); min, 7 pm to 7 am, 12°C (54°F). Humidity, 7 pm, 74 per cent. Rain, 24 hr to 7 pm, 0.1 in. Sea level, 7 pm, nil. Bar. mean sea level, 7 pm, 1,011.2 millibars, rising.

1,011.2 millibars = 29.53 in.

WEATHER REPORTS YESTERDAY MIDDAY: c, cloud; f, fair; r, rain; s, sun.

Area	Temp	Wind	Cloud	Precip
London	14	NW	100	0.1
Edinburgh	12	NW	100	0.1
Glasgow	12	NW	100	0.1
Belfast	12	NW	100	0.1
Cardiff	12	NW	100	0.1
Birmingham	12	NW	100	0.1
Manchester	12	NW	100	0.1
Sheffield	12	NW	100	0.1
Leeds	12	NW	100	0.1
Nottingham	12	NW	100	0.1
Liverpool	12	NW	100	0.1
Bristol	12	NW	100	0.1
Exeter	12	NW	100	0.1
Plymouth	12	NW	100	0.1
Southampton	12	NW	100	0.1
Portsmouth	12	NW	100	0.1
Wexford	12	NW	100	0.1
Dublin	12	NW	100	0.1
Galway	12	NW	100	0.1
Cork	12	NW	100	0.1
Limerick	12	NW	100	0.1
Waterford	12	NW	100	0.1
Youghall	12	NW	100	0.1
Malinbeg	12	NW	100	0.1
Glenties	12	NW	100	0.1
Stranmillis	12	NW	100	0.1
Enniskillen	12	NW	100	0.1
Coleraine	12	NW	100	0.1
Bangor	12	NW	100	0.1
Castell	12	NW	100	0.1
Harlech	12	NW	100	0.1
St Davids	12	NW	100	0.1
St Peter's	12	NW	100	0.1
St Ann's	12	NW	100	0.1
St Brides	12	NW	100	0.1
St Gwynes	12	NW	100	0.1
St Ives	12	NW	100	0.1
St Mary's	12	NW	100	0.1
St Michael's	12	NW	100	0.1
St Nicholas	12	NW	100	0.1
St Peter's	12	NW	100	0.1
St Paul's				



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PARLIAMENT, July 5, 1978

Defence minister explains why Fairford was chosen as base for US tanker aircraft

House of Commons

The decision that RAF Fairford was the right airfield for the stationing of KC135 tanker aircraft of the United States Air Force was announced by Mr Frederick Mulley, Secretary of State for Defence.

It was right, he said, that Britain should act as host for that additional provision for the security of Europe, although he accepted that the question of deciding the location had been difficult.

Mr Nicholas Budge (Gloucester and Tewkesbury, C) had, by private notice, asked if the minister had decided which airfield was to be provided.

Mr Mulley (Sheffield, Park, Lab.)—After thorough examination of all the many factors involved I have concluded that RAF Fairford is the right airfield for this task. I have today placed in the Library of the House a detailed memorandum which explains the reasons for this choice.

A copy of the memorandum has been sent to the local planning authorities with whom we shall discuss the proposal while the agreement of the United States authorities.

Mr Ridley—That decision will cause grave disappointment to many people in the Cotswolds and to many of my constituents. If he is, none the less, able to persuade

the people that the location of this base at Fairford is essential to the interests of Western security, the people will accept it provided the cost of noise pollution, disturbance, and damage does not fall upon them because they will not be responsible.

Mr Mulley—The stationing of 15 KC135s is a substantial addition to the capability of allied air forces in the event of tension or difficulty.

It is right that we should act as host for this American addition to the security of Europe, though I accept the question of where was difficult.

Fairford is a fully operational airfield which has served us for many years aircraft of a similar type, the B47s, and has recently been upgraded for the purposes of Command.

On balance there will be less, not more noise and pollution. A lot of the protests from those who would rather not have any airfield at all. It will not add in any way to the understandable problems that arise where we have military airfield installations.

Mr Hugh Jenkins (Wandsworth, Putney, Lab.)—Many of us wonder whether this is necessary at all and of us regard it as undesirable.

Mr Mulley—I know his views about NATO but I cannot share

them. It is right that the preparedness of NATO in current circumstances should be enhanced by the extra capability because of the possibility of air refuelling multiples substantially the capability of all the aircraft in the alliance.

Mr Douglas Hurd (Mid-Oxon, C)—Most of my constituents affected will realise and understand the defence needs, but the matter has been clumsily handled. They see little evidence that the Department of the Environment or anybody else has visibly taken into account the environmental factors before making the choice.

Mr Mulley—I have consulted the Ministry of State for the Environment, although the actual responsibility for the decision was mine. I shall not seek to run away from that.

Fairford has a distinguished history of providing a home for 40 years. This is merely a change of aircraft. It is not a change of use. It is an operational airfield. I would have thought it unlikely that there would be a substantial case for additional compensation.

Mr Mulley—Compensation will be paid to the existing legislation and while all cases will be examined, there is no change of use. It is an operational airfield. I would have thought it unlikely that there would be a substantial case for additional compensation.

Mr Ronald Thomas (Bristol, North-West, Lab.)—Traded councils in the area, working people, are opposed to having this base used in this way. They do not believe it ought to be in this country at all and they do not think that Mr Mulley has said so far justifies it being in this country.

Mr Mulley—It would be wrong having supported, and widely supported, all the efforts in NATO to increase the reinforcement and readiness capability, to say to our United States allies that we are not prepared to find the facilities for these aircraft in this country when 15 KC135s have been operating for a considerable time, without any of the suggested hazards, at Mildenhall.

Mr Anthony Kershaw (Stroud, C)—I, like many in my area, accept that if there must be a capability of this sort in this country and if it has to be in Fairford, then we will grin and bear it. Proper compensation will be the environmental quid pro quo for putting up with this over many years.

Mr Mulley—Compensation will be paid to the existing legislation and while all cases will be examined, there is no change of use. It is an operational airfield. I would have thought it unlikely that there would be a substantial case for additional compensation.

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Car licence centre at Swansea improving

The number of letters from MPs

complaints about the performance of the Driver and Vehicle Licensing Centre at Swansea has dropped by 40 per cent. Mr John Moran, Under Secretary for Transport, said during questions on the centre.

He told Mr Andrew Mackay (Birmingham, South-West, C) that the time taken to deal with transactions and the number of inquiries were important factors in judging any improvements in the performance of the centre. Letters from MPs were also a helpful guide.

Mr Mackay—We are having an increasing number of complaints from constituents. What I appreciate is that this centre is an acute embarrassment to the minister. It might be helpful to hold a public inquiry into the running of the centre so that we can make it efficient and so that we do not have to scrap it as some MPs want.

Mr Moran (Gateshead, West, Lab.)—Letters from MPs are no more than 40 per cent down on the same period last year. I do not therefore think this considerable improvement justifies an inquiry.

Mr Nicholas Budge (Wolverhampton, South-West, C)—Further to Mr Moran's remark about the number of complaints having declined by 40 per cent, will he state the actual number of complaints that were made in these two periods? How many complaints would be regarded as being acceptable with a properly run office at Swansea?

Mr Moran—The number of complaints between January and May, 1977, from MPs was 100. In the same period this year the number was 25.

Mr Donald Anderson (Swansea, East, Lab.)—Apart from the improvement in turnaround time, a cost indicator would be the reduction in the volume of complaints from informed bodies like the Automobile Association and the increase in the volume of complaints from ill-informed sources like Opposition MPs.

Mr Moran—The AA, who are never slow to rise to defend the interests of motorists, have not written to Swansea since the centre opened a year ago. Since then this further improvement has taken place.

Insurance surcharge to offset income tax cut carried by 14

A new clause to the Finance Bill increasing the national insurance surcharge by 1.5 per cent would not have been necessary but for the irresponsibility of the Opposition. Mr Joel Barnett, Chief Secretary to the Treasury (Hewwood and Rye, Lab) said when he moved a Ways and Means resolution to pave the way for the new clause.

He said a majority in the House voted for two amendments to the Finance Bill that it increased the public sector borrowing requirement by £400m in 1978-79. The Government could not seek to reverse these two votes.

The new clause on the other hand sought to offset a major part of the increase in the public sector borrowing requirement by increasing the national insurance surcharge by 1.5 per cent instead of the 2.5 per cent the Government originally had in mind. It would be preferred neither, but 2.5 per cent had the attraction of not only offsetting the cost of the two amendments, but also providing a further £100m for the public sector borrowing requirement.

It would be foolish to get hysterical over a comparatively small sum when set against the £8,500m public sector borrowing requirement. The income tax cuts in question could not be implemented until November because of the printing of tables.

In the meantime, the Government would, in the usual way, be reviewing the prospects for the borrowing requirement in light of the information coming before them between now and November. This would enable them to take any corrective action necessary to the borrowing requirement within the £8,500m to which they were committed.

The £140m difference between the national insurance increase of 1.5 per cent and the £400m in amendments was approximately 0.1 per cent of the cash flows of the public sector receipts and payments.

Mr Geoffrey Howe, the shadow Chancellor, should tell the House and the country how on earth he could be so stupid as to propose cuts he talked about and at the same time reduce the public borrowing requirement. It would be some miracle.

The Opposition should say if they favoured substantial increases in indirect taxes. The Liberals had been silent on this measure, or in rate support grant.

Mr Barnett—Cash limits will increase as a result of the VAT rate of 10 per cent would broadly recoup the losses caused by the two Opposition amendments but it would not reduce the borrowing requirement. Perhaps Sir G. Howe wanted massively to increase VAT, petrol tax, beer duty and whisky duty. It had not been made clear.

If he says there must be higher taxes, what we spent, which I would not broadly disagree with (the way on) he is bound to say where and how he is going to do it. If he does not, his policy of income tax cuts does not bear examination.

The consequences of the new clause would broadly be to offset the income tax cuts. It might encourage more efficient use of labour and increase productivity, which the Opposition should favour.

This is not the ideal solution (he said). It would have been better if the amendments had not been carried.

Sir Geoffrey Howe, chief Opposition spokesman on Treasury matters (Surrey, East, C), said the Opposition regarded this as a foolish and unnecessary measure introduced at a foolish time and in a foolish fashion.

In the 18 months since March last year, the total burden of payroll tax paid by employers would have risen by 8.75 per cent to 13 per cent. It had increased over the period to the tune of about 100 per cent full-time employee.

This increase was going to be damaging in its effect on jobs, company confidence and on investment.

Over their period in office the Government had progressively diminished the burden of going to work and progressively increased the rewards for not going to work. By these measures they had increased the cost of employing people. We have had (he went on) representations made to us, for example, that in the North where the Chancellor made great play of allocating an additional £50m, that the cost of this imposition will increase the cost of employing people by more than that sum, by £51m.

There is a similar effect in local government where the effect will be to increase the cost of employment by £42m.

He asked whether there would be a corresponding change in cash limits. He said that this measure, or in rate support grant.

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A serious view taken of leak

House of Lords

After Lord Winterbottom, Lord in Waiting, had repeated the statement in the House of Lords, Lord Denham (C) said the Government had treated the site for the tanker aircraft last night, with discourtesy.

He said that Lord Winterbottom had told peers last night that he could not say anything about the Government's choice and that the Secretary of State hoped to make a statement in the very near future. It was ridiculous to have had that debate so soon before that statement.

The Government (he said) have treated this House with gross discourtesy.

Lord Winterbottom—I have sympathy with what he has said. The Secretary of State for Defence was not ready last night to announce this decision. The intention was a leak at the Ministry of Defence and the first I knew about the proposals was when I saw him in the Times this morning.

I can only apologise to the House and peers who may have felt they wasted their time.

Lord Denham—Did not the Government know last night that a statement would be made today? Lord Winterbottom—The intention was that it would be made tomorrow (Thursday).

The Earl of Kimberley (L), who initiated last night's debate, said it was unfortunate that nobody could have said something about it then. The first I knew was when I read the Times at breakfast.

Lord Winterbottom—What should have been a planned announcement tomorrow appeared in the Times today as a result of a leak.

Viscountess Mersey (C)—Is it not time, when this sort of excuse is being put up, that the responsible, perhaps high officials, responsible should be named?

Lord Winterbottom—This is being treated very seriously.

New peer

Lord Hutchinson of Lullington, formerly Mr Jeremy Hutchinson, C, vice chairman of the Arts Council was introduced.

A lot of people may be a sight better off than you.

The importance of reports should not be underestimated because the Welsh would be interested in these proceedings. Also, professional classes, who had to anticipate things, would be in the dark without the reports. Lord Elwyn-Jones, the Lord Chancellor, said the amendments were unacceptable as a matter of both principle and practice. He would found objection to that they were unnecessary and that to legislate to impose the requirement would be to show a lack of faith in the ability of assembly members to run their own affairs responsibly.

The assembly might, too, decide to operate on a budget which would be expensive to produce reports in Welsh and English. The assembly might feel able to keep the public informed by other means. The point was that committee minutes were sometimes confidential.

The amendment was carried by 80 votes to 77—majority against the Government, three. Committee: A basic suspicion of

Motorway repairs rescheduled

Mr John Horam, Under Secretary of State for Transport, indicated he had intervened personally to reschedule repairs to the M5 motorway because of difficulties there during peak holiday periods and to stop repairs to the Midlands motorway links during the Motor Show.

Mr Dudley Smith (Warwick and Leamington, C) had asked the Secretary of State for Transport, in view of the increasing number of accidents on the motorway network, to put in hand an urgent review of the safety procedures adopted when such operations take place.

Mr Horam—Because of the particular problems in carrying out repairs on motorways, methods of operation are clearly laid down. Means of continuing the work kept under continuing review in the light of research and experience.

Mr Smith—In view of the horrendous number of serious accidents, particularly on the M1 recently where there are major roadworks, there is still scope for improving the method of traffic control and more should be done to try to reduce the speed of vehicles as they approach.

Mr Horam—I entirely accept Mr Smith's point. It is difficult question of judgment. There is a need to cause minimum inconvenience to motorway users and therefore to have introduced traffic measures so that two lanes of traffic can operate in each direction even with one lane of the motorway closed down. But that should be monitored carefully.

Mr Greville Janner (Leicester, West, Lab.)—The latest figures show that a substantial number of serious accidents have occurred when repairs are being carried out. The public do not understand the dangers and need to be taught.

Mr Horam—Undoubtedly dangers are created when repairs are taking

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UK to go it alone on stronger roofs for coaches

The Government would proceed independently of the EEC on regulations for the strengthening of the roofs of motor coaches. Mr John Horam, Under Secretary for Transport, said at a question time.

Asked about accidents involving coaches, Mr Horam (Gateshead, West, Lab) said that in 1977 occupants of public service vehicles suffered 64 deaths and 1,269 serious injuries. Any casualty was a matter for concern but these figures represented a fatality rate of only one sixth of that for car and taxi passengers.

Mr Horam—Because of the particular problems in carrying out repairs on motorways, methods of operation are clearly laid down. Means of continuing the work kept under continuing review in the light of research and experience.

Mr Smith—In view of the horrendous number of serious accidents, particularly on the M1 recently where there are major roadworks, there is still scope for improving the method of traffic control and more should be done to try to reduce the speed of vehicles as they approach.

Mr Horam—I entirely accept Mr Smith's point. It is difficult question of judgment. There is a need to cause minimum inconvenience to motorway users and therefore to have introduced traffic measures so that two lanes of traffic can operate in each direction even with one lane of the motorway closed down. But that should be monitored carefully.

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More Government defeats on Wales Bill: verbatim reports of assembly required

House of Lords An Opposition amendment designed to ensure that the standard of the verbatim reports of the proceedings would be improved, would include provision for publishing a verbatim report of its proceedings was carried against the Government, Mr Horam, Under Secretary for Transport, said at a question time.

Asked about accidents involving coaches, Mr Horam (Gateshead, West, Lab) said that in 1977 occupants of public service vehicles suffered 64 deaths and 1,269 serious injuries. Any casualty was a matter for concern but these figures represented a fatality rate of only one sixth of that for car and taxi passengers.

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Criticism of commission plans for shipbuilding industry

European Parliament Luxembourg It was essential to reorganize the shipbuilding industry with the inevitable consequence of the closure of some yards. Mr John Freeston (Kingston-upon-Hull, East, Lab) said in presenting an interim report from the Parliament's Committee on Economic and Monetary Affairs on proposals from the EEC Commission for reorganizing the industry.

He said the basis of the Commission's analysis rested on a reduction from 25 per cent to 20 per cent of the Community's share of world markets. It was said that the industry was expensively over-capacity and that the industry's estimates made 12 or 18 months ago.

He rejected the argument of the Commission that if the industry were to be reorganized, it would be through a process of blood-letting. He said that the price mechanism would return the industry to equilibrium. That went against the evidence.

Many states, like Korea and Japan, were not prepared to face the political consequences of a collapse of the shipbuilding industry. They had put massive investment into the industry and would take political action to protect it.

Total protection was not the solution for shipbuilders. Mr Freeston argued that the Commission must give support against unfair competition from Korea, but he was asking for a fair price system

HOME NEWS

Liberal vote in two northern by-elections will be important pointer for national polls

From Fred Emery
Political Editor
Manchester

The two by-elections on either side of the Pennines next Thursday may make "ten-day wonders" of the victorious MPs. That is about all the parliamentary sitting time they will get if the Prime Minister, as most people now expect, decides on or is compelled into an October election.

Analysis of the results at Penistone, in South Yorkshire, and Manchester, Moss Side, should be as fascinating, and possibly as baffling, as a combination of the divination of entrails and the advice of an ancient oracle. Labour voting loyally ought to ensure the retention of both seats, certainly the loss of Penistone with its 15,135 majority in October, 1974, would show the Transport House temple.

But it is the behaviour of the Liberal vote in these first northern contests for 12 months that is an important pointer for the general election; a second factor might be the size of the coloured vote in Moss Side, which usually has a low turnout.

In parts of both constituencies the Liberal vote has been increasing at recent local elections, and the Liberals have won, even pugnacious, candidates, even if they markedly differ in their radical persuasions. Can they upset everyone's calculations?

The two places are in such contrast, with each other and within themselves, that the fleeing observer is most struck by the intense preoccupation with local rather than national issues.

That is the very theme of northern Liberal politics. Penistone constituency is a great slice of magnificent hill country with thickly populated edges interspersed with small towns. It is a kaleidoscope of patterns.

Moss Side, a section of Manchester's heart reaching from inner-city council flats to fairly prosperous suburb, has, in the extravagant words of Mr Peter Thomson, the Liberal candidate, a "Mason-Dixon line" of class and political division. However, race relations generally appear, and are judged to be harmonious. Inner-city blight is there, even though there is exaggeration in the air.

The much denigrated council blocks of Hulme and Moss Side contain near enough homes to cause blood-letting. The description by Mr Thomson as "the worst built slums in Western Europe", or "derelict" as a Conservative newspaper saw them. A lot of people have forgotten how bad the old slums were.

In both constituencies the Conservative interest is that their 1974 vote combined with the Liberals' vote is a threat to Labour. It would wipe out Labour's 4,111 majority at Penistone and it would turn Penistone into a Conservative seat.

In Penistone Conservatives maintain that they can repeat their victory at Ashfield, where in 1977 they made an improbable capture from Labour. But it is in Moss Side that they lie in the candidates.

The Manchester Tory is Mr Tom Murphy, a Roman Catholic engineer, a tough law-and-order man, who would bring back hanging. On immigration he

coffs that it is Labour distortions that Mrs Thatcher's loose talk has aroused anxieties. He is easily identifiable as one of the new right and his lack of nuance, or nonsense as his friends would say, stood out sharply this week in the company of Mr William Whitelaw, the Deputy Leader of the Opposition.

Mr George Morton, his Labour opponent, an architect connected with the design of the controversial council flats, is the quiet man of the campaign. But he is a personable doorstop campaigner: to young men of the socialist left who complain of the Government's inaction, he cautiously explains how progress will be possible again once the economy is put right.

But it is Mr Thomson who is the wild card of the pack. A people's protest social worker at the Hulme council flat blocks, he is the kind of man who stirs crusades and enmity. The Labour support he might attract like the Pied Piper at the Hulme end, he might lose among traditional Liberals. Conservative officials rejoice at his being seen as a "weirdo beardie" as they call him.

Mr Thomson admits that it will be difficult to regain the 5,686 Liberal votes at the last general election. Like Mr Cyril Smith, Liberal MP for Rochdale, he hates the pact with Labour.

He deplores the lack of radical activists and zest in the party. He advocates, for instance, "rolling demolition" of the local council's blocks of flats and their replacement with family houses, where Mr Morton protests that the Labour council is already far

ahead in adapting them for tenants without children. Just 20 miles across the moors, High Green, in the Penistone constituency, looks like the Liberal fief of Mr David Chadwick. He is certainly winning the battle of posters. There the flourishing Liberal Club has more than two thousand social members.

Mr Chadwick, a Rotherham college lecturer and Sheffield councillor got more than 10,000 votes in the two 1974 general elections there and was breathing down the Tory's neck.

Local Conservatives are amused at his presumption to do so again. But Mr Chadwick is full of ideas and energy. He suggests making town and parish councils "agents" for much needed services in a kind of devolution from metropolitan control.

To advance, Mr Chadwick needs Labour converts. Yet he supports the pact with Labour and Mr Steel, and he will not hear of its having damaged Liberal support.

Labour's solid foot soldiers are in the mining areas, the country of Mr Scargill and Mr Roy Mason. It is hard to detect any Liberal expansion there, but if enough stay at home, Mr Chadwick might end up looking like a familiar face of recent Liberal candidates.

General election results: Manchester, Moss Side: Mr P. E. Hanton (Lab), 15,212; Mr J. Lee (C), 11,101; Mr W. Wallace (L), 5,686; Mr N. Boyle (Trib), 5,581. Mr J. Smith (Camp), 4,111. Penistone: Mr J. Mendelson (Lab), 27,146; Mr C. C. W. Harris (C), 12,011; Mr D. Chadwick (L), 10,900. Lab majority, 15,135.

WEST EUROPE



An Italian MP becomes sleepy at the ballot for the presidency.

Day of bullets and ballots in Italy

From John Earle
Rome, July 5

The Red Brigades shooting of a Pirelli executive in Milan today came as a reminder to the 1,000 parliamentarians voting for a President of the Republic that terrorism remains unconquered and that sterile electoral exercises such as the inconclusive presidential ballots of the past seven days should have their limits.

Signor Gavino Manca, aged 45, head of planning and external relations at Pirelli was shot in the legs by a young man and a woman in what has become a familiar pattern of attack. He was a few yards from his home, walking to his office in the Pirelli skyscraper.

Signor Manca, who is active in Confindustria, the confederation of private industry, and contributes articles on economic

issues to the press, was taken to hospital.

It was the tenth political attack in Milan this year. In Rome, police were following the broadcast on television and radio networks of the recorded voice of the Red Brigades caller who telephoned a friend of Aldo Moro's family on May 9 to say that the Christian Democratic leader was dead. The police denied that the man had been identified.

In the Chamber of Deputies, the Radical and the Proletarian Democracy parties, both small groups, withdrew from the proceedings after the speaker describing it in a letter to the President of the Chamber as "an indecent comedy". They were protesting against the fact that, in recent ballots, there have been more abstentions and

blank papers than votes cast. Their discontent over the sterility of the twice daily ballots since last Thursday to find a successor to Signor Giovanni Leone is shared far beyond the left.

Yesterday, Senator Umberto Agnelli, whose family owns Fiat, complained in a magazine interview about the "Byzantinisms" of his own Christian Democrats. Today his sister, Susanna Agnelli, a Republican Party Deputy, is quoted as saying she is struck by the "lack of practical common sense of the whole affair."

After the day's second ballot tonight, the secretaries of the main parties were meeting to see if they could agree on a candidate—possibly the Republican leader Signor Ugo La Malfa—who would stand a real chance of election.

Bonn to investigate border surveillance

From Patricia Clough
Bonn, July 5

Herr Gerhart Baum, the new West German Interior Minister, has ordered a thorough investigation of questionable surveillance of political extremists by border police, the Ministry disclosed today.

Herr Baum has also ordered the withdrawal of pictures and description of 789 leaders or key figures in extreme left-wing organizations whose movements across the borders have been reported by the border police to the counter-intelligence service.

He said the material had been distributed to the border police by a department of the counter-intelligence service without informing its superiors or the previous ministry.

The Ministry is also investigating reports that the names of people who cross West German borders in the same cars as suspected terrorist contacts are also passed on to the counter-intelligence service.

A Ministry spokesman confirmed reports that for a month last autumn the names were taken of everyone between the ages of 21 and 35 who crossed the border at four points. The names of those who did so several times were fed into the police computer as possible terrorist contacts. The names of people sitting in the same bus or train compartment as suspect contacts were also listed as possible suspects themselves.

He explained that this was done at the height of the Schleier kidnapping and its purpose was to try to catch the couriers thought to be taking messages from the kidnappers to be published in France. The practice was stopped after a month and the names destroyed, he said.

These practices were disclosed today by the left-wing daily *Frankfurter Rundschau*, whose revelations in May of other dubious surveillance methods led to the resignation of Herr Baum's predecessor, Professor Werner Maihofer.

Second big search for professor

By Stewart Tendler
Crime Reporter

North Wales police are to organise a second large-scale search of a stretch of moorland next weekend in the hope of finding a Liverpool University professor who has been missing since June 25.

Professor George Kenner, aged 56, was last seen when he left his house at Birkhead, Merseyside, after telling his wife that he was going to work at his laboratory. Three days later his Alfa Romeo car was found abandoned near a village not far from Holywell, Chwyd, after he had been reported missing.

The professor, a Fellow of the Royal Society, often went off walking to think out research matters, and knew the area. He was wearing a coat and walking shoes when he disappeared.

The area is mainly moorland and rather desolate. The highest point is 1,500ft above sea level and there are few dangerous parts, with the exception of some potholes.

Up to a hundred searchers have been scouring the area and last weekend dogs and RAF helicopters were also used in the first main sweep. This weekend a second sweep of the area will be made.

Professor Kenner was described by a colleague yesterday as being fit, with the known signs of physical illness, apart from an ulcer some years ago. He had been working on a lengthy research project into the manufacture of enzymes, financed by the Science Research Council, and the work was reported to be nearing its conclusion without any serious difficulties.

The professor, who has a wife and two daughters, became a Royal Society research professor at Liverpool University last year, and gave a series of lectures in London and six other universities. He also chaired a symposium for leading organic chemists from other countries.

Mr Gormley warns union he may resign

From Paul Routledge
Labour Editor
Torquay

Mr Joseph Gormley, moderate president of the National Union of Mineworkers, rode out a fresh storm of criticism yesterday at his union's policy-making conference, but gave a warning that he might leave over the increasingly bitter personal campaign against his leadership.

The conference erupted in anger during an inquest on the recent dispute over pay for pit rescue men, which brought a new call from the rostrum for his resignation.

Mr Samuel Thompson, a Yorkshire delegate, provoked the uproar when he accused Mr Gormley of "wheeling and dealing" with the National Coal Board to prevent his area negotiating its own production incentive bonuses for rescue men. He called on the president to resign.

Mr Gormley rounded on his critics and rejected their charges, insisting that the real culprits of the whole affair were the board's actions in Doncaster who had made "false promises" to local NUM leaders.

"Do not keep asking me for my resignation," he added. "I keep saying 'make me an offer, I can not refuse and you can have the job'. But I am not going to be the buffer between my members, the executive, the coal board and the Government over every

issue. I am sick and tired of being that buffer."

Two leading moderates on the executive, Leslie Story, secretary of the white-collar section, and Mr Kenneth Toon, of south Derbyshire, also rejected charges that the leadership had stopped Yorkshire officials from negotiating their own deal. Their prolonged shouting greeting Mr Arthur Scargill, left-wing president of the area, when he went to the rostrum to ask for further explanations before the affair was finally allowed to rest.

However, Mr Scargill later announced his intention of seeking a next week's executive meeting to discuss the circumstances of "this bizarre affair."

He added: "I can tell you that Mr Gormley has told me privately that he accepts that some offer was made in Yorkshire. He is very bitter about the whole position of the board."

The significance of the public verbal brawl at the conference lies in the suspicion among NUM moderates that the Yorkshire area was trying to undermine the recent NUM executive pit incentive schemes by exploiting the emotionally charged grievances of rescue men over their share of production bonuses. They insist that no exception to the national guidelines for pit incentive payments should be made even for that group of workers.

Planning agreement, page 21

Backing for Welshmen in plot case

From Tim Jones
Cardiff

Three processions will converge on Carmarthen, Dyfed, on Saturday in a remarkable show of support for two young men who will stand trial in the town next week charged with conspiring together with persons unknown to commit criminal damage to television installations.

The trial is the latest development in a campaign that has been waged with varying degrees of lawlessness by members and supporters of the Welsh Language Society, in an effort to force a Welsh language television channel for the principality.

Dafydd Wynford James, aged 26, and Gruffydd Rhodri Williams, aged 21, respectively vice-chairman and chairman of the society, have indicated they will follow the movement's practice and refuse to plead when the charges are put.

Whatever happens inside the court the proceedings are destined to start a political debate in the principality.

An advertisement in *Y Cymro*, the Welsh language newspaper, was signed by two MPs, one Plaid Cymru, the other Labour, theologians, academics, authors and by Mr Geraint Bowen, who, as Archibald of Wales, is regarded almost as the spiritual defender of the culture.

The advertisement called on people throughout Wales to attend a mass rally in Carmarthen on Saturday afternoon and to stay overnight, which is expected to take several days.

Ever since the campaign started eight years ago scores of people have been fined or received prison sentences for charges ranging from criminal damage to failure to pay the television licence fee.

Essentially the society, which operates outside the Welsh establishment, believes it is charged with an almost holy duty to have the fast declining language.

The members' activities have been sustained by the publication of figures suggesting that every week 200 people are lost to the language. They draw much comfort from the report issued recently by the highly respected Council for the Welsh Language, which spoke of the urgency of establishing the television channel.

British fishing restrictions criticized by Commission

From Michael Hornsby
Brussels, July 5

The European Commission has told Britain that it cannot approve the new restrictions on fishing announced earlier this week by Mr John Silkin, the Minister for Agriculture, Fisheries and Food, without more information about them.

In a letter to Sir Donald Maitland, Britain's permanent representative in Brussels, Mr Finn Olav Gundelach, the EEC Commissioner for Agriculture, also makes clear that he believes Mr Silkin resorted too hastily to unilateral action in two of the four measures announced on the grounds of conservation.

These concern the widening of the area covered by the ban on fishing for Norway pout off the east coast of Scotland, and the introduction of a minimum

net mesh of 70 mm for shrimp fishing.

The Commissioner points out that neither of these measures is intended to come into force before October, and that several meetings of EEC agriculture ministers are due before then where further attempts could be made to get agreement on equivalent Community action.

In the light of this, Mr Gundelach says, he cannot accept the British Government's announcement of measures as formal notification of them, but only as an indication of possible future intentions.

Mr Gundelach also asks for more scientific evidence to justify extending herring fishing in the Firth of Clyde from the general ban on herring fishing off the west coast of Scotland.

Honecker view of Berlin accord rejected

From Our Correspondent
Berlin, July 5

A new attempt by East Germany to gain acceptance for its one-sided interpretation of the four-power Berlin agreement was firmly rejected today by Herr Dietrich Stobbe, the West Berlin Chief Burgomaster, and by spokesmen for the Christian Democrats and Free Democrats in Bonn and West Berlin.

In an interview with the *Saarbrücker Zeitung*, Herr Erich Honecker, the East German Communist leader, claimed today that the agreement as negotiated applied only to West Berlin.

In Berlin, the capital of the German Democratic Republic, was never subject to discussion in the negotiations of the four powers, he said.

West German spokesmen rejected Herr Honecker's assertions as totally wrong.

Austrian lorry drivers urged to end blockade

Salzburg, July 5

Herr Helmut Friedrich, chairman of the haulage section of the Austrian Chamber of Commerce, joined the Austrian Government today in calling on lorry drivers to end a road blockade which has cut the country's main road links with the rest of Europe.

As the protest action against new road taxes went into its third day, police said more than 1,000 lorries were blocking motorways and heavy transport routes.

Businessmen forecast big losses if goods, including industrial equipment and food supplies, continued to be detained.

Dr Bruno Kreisky, the Chancellor, who has been in Britain since the blockade started, was expected to propose compromise talks on his return to Vienna tonight.

Hopes fade of ending wave of Basque violence

From Harry Debellus
Madrid, July 5

The prospect of putting an end to bloodshed in the Basque country seemed more distant than ever here today and this impression was reflected in a parliamentary debate on the violence in the north.

In the town of Fuenlabrada on the Bay of Biscay last night destroyed a caravan used by the paramilitary Civil Guard as a mobile office and injured two officers who were inside at the time. Police said the device was set off by remote control.

In Pamplona, demonstrators demanding the release of imprisoned Basque terrorist suspects set fire to a Spanish flag last night and battled in the streets with counter-demonstrators including several off-duty military cadets. Two cadets were injured and at least three people arrested in the clash.

About 2,000 people took part in violent disturbances in San Sebastian last night, stoning and bombarding the French consulate with petrol bombs, the streets with burning fires.

The demonstration in favour of Basque separatism, started after a requiem Mass for Señora Rosario Echave.

She was killed and her husband, José Echave, seriously injured by machine-gun fire in the French port of St Jean de Luz, near the frontier, on Sunday night.

At least two right-wing organizations have claimed responsibility for the attack, but police have not entirely ruled out the possibility that it might have been some sort of reprisal against Señor Echave, a "retired" ETA guerrilla leader, by his old comrades in arms.

During the debate on the constitution, Señor Francisco Leizaola, a deputy of the Basque Left Party, insisted on self-determination for the Basque provinces. He later told reporters that there was no hope of negotiating with ETA without fulfilling this cardinal demand, as well as others.

A source close to the Government told *The Times* that the Government with ETA was virtually out of the question because of the effect it would have on the morale of police and military forces.

"The Civil Guard will put up with losing an average of one man a day in separatist attacks," the source explained, "but what they will not stand for is making a deal with the killers."

Services for the divorced are given star rating

A guide for divorced people who want a Church of England service of blessing after they have remarried in a register office is issued today.

It gives star ratings to services on offer in 26 of the church's 43 dioceses. The Canterbury diocese service ("impersonal, low participation") rates only one star, while that used in York ("clear reference to divorce, modern") gets a top four stars.

The survey was compiled by the influential Anglican radical group Parish and People. It is part of a series of papers, *Putting Together*, aimed at influencing a debate in the church's General Synod in York next week on a report recommending that divorced people

should be allowed to remarry in church, subject to conditions.

The York service scores because it includes some vows, is in modern language, and is aimed at divorcees. Canterbury's is a private service.

Other four-star ratings are given to Birmingham ("caring, well-constructed"), Southwark ("up-to-date, short, churchy") and Oxford (where the couple receive a Bible and can take Holy Communion), Durham, St Albans, and Winchester.

Joining Canterbury at the bottom of the ratings are Truro, Ely and Hereford.

The survey says Canterbury seems to have established a tradition that the services should not be conducted in the chancel or sanctuary.

Secret Suez pact denied in Lord Selwyn-Lloyd's book

By Peter Hennessy

In a memoir of the Suez affair published posthumously today, Lord Selwyn-Lloyd, QC, Foreign Secretary, 1955-60, rejects the charge that there was "collusion" between the governments of the United Kingdom, France and Israel before the invasion of Egypt in 1956.

Lord Selwyn-Lloyd has been accused of lying to Parliament on the basis of his statement to the Commons, in reply to a question, on October 31, 1956. On that occasion he said:

The right hon gentleman asked whether there had been collusion with regard to this matter. ... It is quite wrong to state that Israel was incited to this action by her Majesty's Government. There was no prior agreement between us about it.

In his book, *Suez 1956*, Lord Selwyn-Lloyd does not refer to his own statement but he does recall similar remarks made by Lord Avon who, as Sir Anthony Eden, was Prime Minister during the autumn of 1956. About Lord Avon's denials of foreknowledge of Israeli action, Lord Selwyn-Lloyd writes:

In my view, he was right not to be drawn into a discussion at that stage about how much knew. It might have made the clearing up of the situation in

the Middle East much more difficult, and endangered the lives of our friends and our nationals. It is never agreeable to have to refuse, in the national interest, information to the House of Commons. But it has to be done from time to time.

Lord Selwyn-Lloyd adopts the *Oxford Dictionary* definition of "collusion" as a "fraudulent secret understanding especially between ostensible opponents in a law suit". British actions in 1956 did not accord with that definition, he says.

There was nothing fraudulent or disreputable about any of these objectives or motives. We did have discussions with the Israelis. We did say what we would do in certain circumstances. I do not myself believe that there was any binding agreement between the British and the Israelis. It was not certain right up to the last minute whether the Israelis would attack when they did.

Lord Selwyn-Lloyd's account, recently serialized in *The Sunday Times*, discloses much new material about the secret meetings of British, French and Israeli representatives at Sevres, near Paris, on October 22 and 23, 1956, the object of which was to plan action against Colonel Nasser, who at that time was President of Egypt. *Suez 1956* (Jonathan Cape, 65.00). Book review, page 14

Water charges proposal

Yorkshire Water Authority yesterday proposed a new charging system for water supplies intended to give commercial consumers a fairer deal.

Shops, banks and offices will pay less, but householders and industry will have to pay more in the scheme.

£55,000 jewel theft

Police at Southport, Lancashire, are investigating the theft from a salesman's car of diamonds and other jewels valued at more than £55,000.

Sun power trial

Solar power is to be used to heat water in public lavatories in the Mole Valley, Bognor Regis, West Sussex, as a council experiment to cut fuel bills.

If you make our
11.00 flight to New York
you'll arrive in time
to catch the closing prices
on Wall Street.

If you catch our
13.30 flight to New York
you'll arrive in time
for afternoon tea
at the Plaza.

And if you take our
16.30 flight to New York
you'll get to Broadway
in time to see
"On the Twentieth Century."

Only Pan Am
can give you three daily
747s to New York.
Pan Am's People.
Their experience makes
the difference.

PAN AM

WEST EUROPE

Dr Waldheim studies allegations that UN official is KGB agent

From Alan McGregor, Geneva, July 5

Dr Kurt Waldheim, the United Nations Secretary-General, said today that he was "looking very carefully" into allegations that the newly-appointed United Nations chief of personnel in Geneva was an agent of the KGB (Soviet secret police).

The Secretary-General, answering questions at a press luncheon here, said it had to be ascertained whether such allegations were justified and whether the code of conduct applying to staff, which required total loyalty to the United Nations body, had been violated. If so, the appropriate consequences would follow.

But it was impossible, he said, to obtain an absolute guarantee that an individual had never been employed by an intelligence service. All the United Nations could do was verify a candidate's dossier. If there was anything suspicious he would be rejected.

Dr Waldheim said the impending transfer of Mr Geli Dneprovski, alleged to be a Soviet agent, to the post of chief of personnel in Geneva had not required his personal approval, as the official was not of a sufficient high grade, external organization.

In the light of current reports, however, he would look into the matter. He said Mr Dneprovski had been 12 years with the United Nations and had functioned satisfactorily.

Asked about another Russian named in press reports, Mr Vladimir Lobachev, chief of conference services at the

United Nations Palais des Nations here, Dr Waldheim said he was at present on a mission to Moscow for the purpose of selecting interpreters. (According to United Nations officials he is due back this weekend.)

The Secretary-General said governments and the individuals concerned had been contacted for their comments. A letter from the United States representative here on the subject of the appointment to the post of personnel was not a protest but "an expression of concern".

Such matters were serious and delicate, he said, but had to be clarified in all aspects before final decisions were taken. Allegations had to be confirmed.

Asked from where confirmation acceptance by the United Nations might come, he said with a smile: "I think I have answered this question several times. I plead with you to be kind to me."

When a journalist quoted a Swiss official as remarking that the Swiss Government had its own sources on such matters and did not have to rely on press reports, he said: "It's the first time I've heard this. If the Swiss authorities give me information, I will study it with much attention."

Dr Waldheim pointed out that an interviewee had to take an oath that they would uphold the interests of the world body, not purvey confidential information, and not seek or accept instructions regarding their duties from any government or external organization.

France charts big tug to watch shipping lanes

By Michael Bailey, Shipping Correspondent

The 53m tug *Abelle Normande*, one of the largest in the world, has been chartered by the French Government to keep permanent watch on the shipping lanes round Ushant where the Amoco Cadiz supertanker went aground.

In case of accident, it will provide service first and argue about the contract afterwards, Mr Yves Dumont, managing director of France's biggest tug company, Les Abeilles Internationales, said in London yesterday.

The contract will cost the French Government about £2m a year for an initial three years and is the first of its kind, Mr Dumont said during a visit to the Pool of London by the new tug and its sister ship *Abelle*

Provence. The French Cabinet took the decision only yesterday morning, he said.

The *Abelle Normande* will offer "a cure, not a pain" but will still make fast to the casualty and carry out salvage even if terms are not agreed, Mr Dumont said. They would be settled by arbitration later.

In the event of a substantial award the French Government would expect to get a share, although the details have not yet been worked out.

Paris: France has quadrupled the minimum offshore distance for French tankers passing by the French Atlantic coast, a presidential statement said.

The new rule extending from 12 to 50 kilometres (6.4 to 26.9 nautical miles) the oil route off Ushant, will come into force on January 1.—Reuter.

OVERSEAS

Complete text of Cairo peace proposals

By Edward Mortimer

Cairo, July 5.—Following is the full text of the peace plan published by the Egyptian Foreign Ministry in English today under the heading "Proposals relative to withdrawal from the West Bank and Gaza and security arrangements".

1. The establishment of a just and lasting peace in the Middle East necessitates a just solution of the Palestinian question in all its aspects on the basis of the legitimate rights of the Palestinian people and taking into consideration the legitimate security concerns of all parties.

2. In order to ensure a peaceful and orderly transfer of authority there shall be a transitional period not exceeding five years at the end of which the Palestinian people will be able to determine their own future.

3. Talks shall take place between Egypt, Jordan, Israel and representatives of the Palestinian people with participation of the United Nations with a view to agreeing upon:

A. Details of the transitional regime.

B. Timetable for the Israeli withdrawal.

C. Mutual security arrangements for all the parties concerned during and following the transitional period.

D. Modalities for the implementation of relevant United Nations resolutions on Palestinian refugees.

E. Other issues considered appropriate by all parties.

4. Israel shall withdraw from the West Bank (including Jerusalem) and the Gaza Strip, occupied since June 1967. The Israeli withdrawal shall be subject to the establishment of a transitional period.

5. The Israeli military government in the West Bank and the Gaza Strip shall be abolished at the outset of the transitional period.

6. Supervision over the administration of the West Bank shall become the responsibility of Jordan and supervision over the administration of the Gaza Strip shall become the responsibility of Egypt. Jordan and Egypt shall carry out their responsibility in cooperation with freely elected representatives of the Palestinian people who shall exercise direct authority over the administration of the West Bank and Gaza. The United Nations shall supervise and facilitate the Israeli withdrawal and the restoration of Arab authority.

7. Egypt and Jordan shall guarantee the free and safe passage of all persons and goods between the West Bank and Gaza, and shall ensure that no armed forces or military equipment shall be stationed in the West Bank and Gaza.—Reuter.

Hungary to drop visas for Austria

Vienna, July 5.—Hungary has become Austria's first direct neighbour in the Eastern block to agree to abolish visas for travel between the two countries, effective from January 1.

Poland, Bulgaria and Romania have already abolished visas for Austria, but are not direct neighbours.—UPI.

American participation envisaged in policing of occupied Arab territories in transitional period

New peace plan from Bethlehem

By Edward Mortimer

A peace plan similar to the Egyptian one, published yesterday, but involving American as well as Jordanian and Egyptian troops, has been put forward by Mr Elias Freij, the Mayor of Bethlehem.

Mr Freij is regarded as a moderate in the occupied West Bank. He is to visit Washington next week as the guest of the United States Government and has been promised an interview with Mr Cyrus Vance, the Secretary of State.

It was in a letter to Mr Vance sent on April 10 that he put forward his proposal that during the transitional period, forces from the United States, Jordan and Egypt be invited to take full control of the occupied West Bank and Gaza. A copy was presented to The Times yesterday making the plan public for the first time.

Mr Freij wrote that a majority of the Arab inhabitants of these areas would "accept and welcome" a transitional period of five years, provided Israeli military forces are completely withdrawn and replaced by other forces.

These forces would be in charge of internal and external security, would "facilitate the peaceful return of Palestinian Arabs", and would "help the inhabitants to organize and build our 'House of Palestine' on free and democratic basis".

Mr Freij's visit to Britain is



Mr Elias Freij: A practical man in search of a formula.

the third stop in a tour which has so far taken in Romania and Austria and, on the way back from America, will also include Spain, Italy and Greece.

The Israeli authorities had been taken aback when informed of this itinerary, he said, and had asked him to discuss the future of the West Bank with the staff of their College of Strategic Studies.

"Thirty-five Israeli generals came to my house", he said. He had told them, as he had written to Mr Vance, that Begin's self-rule plan would be

"unanimously rejected by all the Palestinian Arabs".

Mr Freij told The Times yesterday that he believed any negotiations to resolve the Arab-Israeli conflict must involve the PLO and the Palestinians, as well as Jordan, Egypt, Israel and the United States. But "the key to the solution of our problem is to have the American police the transitional period".

He agreed that the PLO would reject this as they would also reject the Egyptian plan. "I am a practical man", he continued. "I want to find a formula to convince Israel to withdraw. We don't have the force."

Asked what he meant by the involvement of the PLO and the Palestinians, Mr Freij said he thought the PLO could delegate some Palestinians to negotiate without them being clearly identified as PLO members.

Mr Freij said he would value American participation in the transitional arrangements not only to safeguard Palestinian interests, "if anyone tries to abuse our liberties we will cry to the Americans". He was not afraid of "American imperialism. Indeed he believed there was no such thing."

The PLO used such language because they were "not properly treated by the United States". But he thought they should make greater efforts to win the sympathy of American public opinion.

Cairo plan too hardline for Israelis

Continued from page 1

Some Egyptian sources see the task of the present 6,000-man United Nations force in south Lebanon as similar to that which would be asked from United Nations troops during an Israeli pull-back from positions held now for 11 years.

According to the Egyptian plan, which was handed to Vice-President Wahid Moustafa in Alexandria on Monday, talks would take place under United Nations auspices between Egypt, Jordan, Israel and "representatives of the Palestinian people". Among the subjects which it suggests should be covered are: timetable for Israeli withdrawal and security arrangements for all parties during and after the transitional period.

At an earlier stage in the peace process, President Sadat has indicated that he would include the establishment of a demilitarized zone, formation of a joint Egyptian-Israeli "watchdog" committee, early warning stations, and the placing of United Nations

troops on both sides of the common border between the two countries.

Michael Knipe writes from Jerusalem: The Egyptian plan was passed today to Mr Moshe Dayan, the Foreign Minister, by Mr Samuel Lewis, the United States Ambassador to Jerusalem. Later Mr Dayan and Mr Menachem Begin, the Prime Minister, made a preliminary study of the proposals.

There was no immediate reaction but Government sources said that, while the plan was clearly unacceptable to Israel, there appeared to be no preconditions which must inhibit Mr Dayan's attendance at the proposed London meeting with Mr Muhammad Kamel, the Egyptian Foreign Minister.

The sources indicated that the Egyptian scheme appears to be so hardline that it will be unacceptable to virtually the whole of the Israeli political opinion, and they expressed doubt that the immense gap between the Egyptian and Israeli plans could be bridged.

A proposed meeting in

Austria next week between President Sadat and Mr Shimon Peres, the Opposition leader, has been criticised by Mr Dayan. He told the foreign affairs and defence committee of the Knesset that only Government representatives should have talks with the Egyptian leader.

Mr Peres pointed out that he had cleared the meeting with Mr Begin, but the Foreign Minister said he differed with Mr Begin over the matter.

Our Washington Correspondent writes: The Administration said today that it was "pleased" that the Egyptians, like the Israelis, had now submitted a Middle East peace plan.

A State Department spokesman said that both plans provided a basis for the renewal of face-to-face negotiations between the two Governments. He was hopeful that, during the proposed talks in London this month, both sets of proposals could be discussed and each side's position examined with a view to providing "renewed momentum" for the deadlocked peace negotiations.

Rhodesian leaders to tackle discrimination

From Frederick Cleary, Salisbury, July 5

The Rhodesian transitional Government has set up a committee of ministers to investigate ways of removing racial discrimination. A Government spokesman said today it would extend to remove such practices as soon as possible.

The committee comprises three white and three black ministers: Mr James Chikema, Mr Rowan Cronje, Mr Rollo Eayman, Mr William Irvine, Mr Gibson Magaramombe and Mr John Mandaza.

The spokesman said that in keeping with the commitment imposed on it by the Rhodesian constitutional agreement it had been accepted in principle that discrimination should be abolished except where its retention was necessary or desirable in the national interest.

There is some surprise in political circles here that such a committee has only now been established, as the Salisbury accord was signed four months ago and the removal of racial laws and practices had been one of the chief stumbling blocks to the success of the internal settlement.

It was also announced today that the Executive Council is to be enlarged to accommodate a representative from the Matabeleland and Midlands provinces.

The Government spokesman referred to recent concern from Matabele chiefs that no person from their province would be on the top council of state. All three black members were Shonas.

Mr Joshua Nkomo, the Patriotic Front co-leader, who comes from Matabeleland, has been invited but he refused. The offer to Mr Nkomo was still open, but in view of his consistent rejection of the Salisbury accord, and in order to meet the appeal of the Matabele Chiefs, the Executive Council was prepared to consider the inclusion of a leader who genuinely represented the provinces.

Mr John Davies, the Conservative Party spokesman on foreign affairs, said on his arrival here today at the start of a four-day visit that he let Lusaka after holding talks with President Kaunda of Zambia and Mr Nkomo, with no tremendous optimism about getting all parties involved in the Rhodesian settlement dispute, a roundtable conference.

He said that while there was a slight hope of an overall settlement it was not going and had in fact retreated slightly.

Maputo: The British and American envoys investigating the Rhodesian situation, Mr John Graham, Under-Secretary for Foreign Office, and Mr Stephen Kauda, United States Ambassador to Zambia, arrive here today.

An informed source said they would meet Mr Robert Mugabe, co-leader of the Rhodesian Patriotic Front, but it was not known how long they would stay in the Mozambique capital or what their agenda included.—Reuter.

US permits Israelis to sell warplanes to Taiwan

From Our Own Correspondent, Washington, July 5

The United States has agreed to let Israel sell some 50 Kfir fighter-bomber aircraft equipped with American engines to Taiwan, a State Department spokesman said today.

The decision, taken by President Carter after several months' delay, was conveyed to the Israeli Government by Vice-President Walter Mondale during his recent visit to the Middle East. American permission for the sale of such sophisticated weapons by one country to another is required if they contain material manufactured in the United States.

The sale of between 50 and 60 Kfir aircraft to Taiwan at a cost of some \$500m (about £280m) has been in the pipeline since the Israelis asked the Administration. President Ford rejected an Israeli request for a similar deal two or three years ago.

The State Department spokesman declined to explain the proposed deal now in Washington's blessing. Administration officials conceded that the move was designed to improve relations with Israel.

It was not immediately clear whether the sale of Kfir aircraft to Taiwan will have a long-standing Nationalist Chinese request for the purchase of Phantom 4 aircraft directly from the United States. Today The New York Times reported that such a deal had been rejected already by Washington, but the State Department said no final decision had been taken.

Nevertheless, after approval of the Kfir sale, seems unlikely that Taiwan will also receive the Phantom 4 aircraft. The Administration has always been reluctant to provide them to the Nationalist Chinese on the ground that it poses too great a threat to Peking.

The State Department spokesman declined to explain the proposed deal now in Washington's blessing. Administration officials conceded that the move was designed to improve relations with Israel.

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The State Department spokesman declined to explain the proposed deal

OVERSEAS

House arrest of rivals ensures fourth term for President Park

From Peter Hazelhurst

Tokyo, July 5—Opposition leaders in South Korea were placed under house arrest in Seoul this morning, 24 hours before 2,553 electoral college members are expected to go to the polls and give President Park Chung Hee a fourth term in office.

Questioned by telephone from Tokyo tonight, Mrs Kim Dae Jung, wife of the jailed opposition leader, said: "Many leaders of the Opposition were placed under house arrest this morning. I am not allowed to leave the house except to visit my husband in hospital with a police escort. I expect this will continue for the next few days until the election is over."

Other sources claim that a former President, Mr Yun Po Son, and a prominent religious leader, Mr Ham Suk Hon, were also put under house arrest today when potential candidates for the presidential election were required to register their names with the electoral college.

The deadline for registration expired at 5 pm today, after the electoral college had endorsed President Park as the only eligible candidate.

Mrs Kim and other members of the Opposition claim that strong detachments of plainclothes police took up positions round their houses in Seoul today.

Under President Park's constitution, the head of state is elected every six years by the electoral college, which is called the "National Conference for Reunification" and was elected by popular vote in May this year. The names of presidential candidates must be endorsed by at least 200 members of the college, which is reported to be subservient to President Park's wishes.

Although most of President Park's opponents, harassed by the Korean Central Intelligence

Agency, had decided already to boycott the election, the regime appeared to be taking no chances today.

With President Park's main foe, Mr Kim Dae Jung, incarcerated in hospital and all other possible candidates under house arrest, South Korea's ruler inevitably emerged as the sole candidate when registrations closed tonight.

Government officials in Seoul said it is certain that President Park will be re-elected tomorrow. The election will take place in the morning in the Chang Chung Gymnasium in Seoul, with the 2,553 members of the electoral college—teachers, village chiefs, and others—casting their vote by secret ballot.

President Park was nominated by 506 college members today, but officials said they believe that the Korean leader will be reinstalled in power with an overwhelming majority.

The President, a career soldier who was trained in the Japanese Army, came to power in 1961 when he deposed the Government of the former Prime Minister, Mr John Chang, in a bloodless coup.

After ruling the country under martial law for two years, President Park continued in power after an election in 1963. He was re-elected to office in 1967 and again in 1971 when he defeated Mr Kim Dae Jung by a narrow margin.

Somewhat shaken by the potential support for his rivals, he revised the constitution in 1972 to abolish direct elections and provide the President with strict emergency powers. As a result of a series of decrees in recent years, any form of criticism of the constitution or the regime is banned by law.

At the time the regime's opponents within the New Democratic Party claimed that President Park would establish himself as dictator for life.

Television watches Russia's MPs

From Michael Binyon

Moscow, July 5

The Supreme Soviet meets in a cool, long classical building with elegant arched ceilings and decorated cornices. Situated in the heart of the Kremlin beside onion-domed churches, it is the nearest equivalent to a Soviet parliament.

Deputies meet there twice a year to approve the laws and proposals put forward by the Council of Ministers, to hear speeches by leading figures in the Government and to endorse the resolutions of the Presidium.

This morning saw the opening of a two-day session, with Mr Alexei Kosygin, the Prime Minister, delivering what amounted to a state of the economy message. Tomorrow, Mr Andrei Gromyko, the Foreign Minister, will speak and on Friday the Supreme Soviet will adjourn for another six months.

The Supreme Soviet, as its name implies, is technically the supreme organ of state power, the elected assembly of deputies who represent the interests of the peoples and ethnic groups of the Soviet Union.

It is divided into two chambers: the Soviet of the Union, and the Soviet of Nationalities. The first is chosen by constituency with one deputy for every 500,000 people, and the latter represents almost 60 nationalities, comprising 32 deputies from each of the 15 union republics, 11 from each autonomous republic, five from each autonomous region and one from each national district.

Altogether there are about 750 deputies in each chamber, with women accounting for about one third. Communist Party members about 70 per cent, and workers and collective farmers about half the total in each case.

The Supreme Soviet elects the Presidium. This small group of 37 members is the permanent functioning organ of state power. Its main tasks include the issue of edicts on domestic and foreign affairs, the ratification of international treaties, the declaration of war in the case of attack between the Soviet Union and other countries, and the appointment of diplomatic representatives.

The President of the Presidium is the head of the Soviet state, and since the fall of President Podgorny, this post has been occupied by Mr

Leonid Brezhnev, the Communist Party leader.

The architecture of the Supreme Soviet building impressively distinguishes it from a Western-style parliament. Rows of desks, 24 seats wide, stretch back from the podium. Facing them on steeply banked tiers sit members of the Presidium and other Supreme Soviet officials. In their midst sits the 14-man Politburo, the real centre of power in the land.

This morning's session started with procedural business. Delegates from the Soviet of the Union were asked to approve some draft regulations of the Council of Ministers, and the election of new deputies. The voting demonstrated the famous Soviet way of doing things.

"Who is in favour?" the chairman asked. All raised their hands, not right in the air as

British schoolchildren do, but with elbows bent and only the forearm raised on the desk.

"Who is against?" he asked, and without pausing or looking up continued, "No one."

The question "Who abstains?" was followed equally swiftly by the observation "No one."

Contrary to popular impression in the West, deputies are not all middle-aged men who listen in regimented, impassive silence. Most were reading the newspapers or looking at documents while the speeches were going on, even during Mr Kosygin's speech.

Many are young, and the women from central Asia wear characteristic brightly striped national costumes, while the men wear oriental embroidered skull-caps.

Deputies do not sit very still.

They lean across and whisper to each other, they turn round, fidget, and in many ways behave like deputies in any parliament.

After the opening business there was a break and the Soviet of Nationalities joined them for a joint session. All rose and applauded as the Politburo, led by President Brezhnev, took their seats.

Kremlinologists noted that the front rank had the usual constellation of personalities thought to wield the greatest power—President Brezhnev, Mr Kosygin, Mr Mikhail Sidorov, Mr Andrei Kirilenko and Mr Fyodor Kaluzhnikov.

In the galleries at the side sat ambassadors, including Sir Curtis Keeble, of Britain, and Mr Malcolm Toon, the American Ambassador.

Straddling the high-ceilinged chamber is a gallery for fraternal observers which was half full this morning. Television cameras lined the walls.

A granite statue of Lenin stood illuminated in a niche at the front of the chamber.

As Mr Kosygin spoke from the rostrum many deputies listened with small earphones. Mr Brezhnev made the occasional note on a piece of paper and passed it across to Mr Sidorov. The rest of the Politburo sat in impassive stillness while the cameramen trained their lenses on them.

On the floor of the house in the third row sat the lonely figure of a man who two years ago sat up with Mr Brezhnev—former President Podgorny, still a deputy. No one sat beside him and no one leaned across to talk to him.

Janata split likely over ex-minister's demand

From Kuldip Nayar

Delhi, July 5

The Janata Party, which has been in power in India for the past 15 months, was headed tonight for a split. While there was no immediate danger to Mr Morarji Desai's Government, a split, which could come at any time, would cramp his Government and throw up new alignments in the ruling party.

Efforts being made by peace-makers in the party to avert a severe setback tonight when Mr Charan Singh, the former Home Minister, who was forced to resign from the Cabinet last week, demanded a commission of inquiry to examine claims of corruption against Mr Kamal Bhasi Desai, the Prime Minister's son.

Speaking to some of his supporters, Mr Charan Singh said the allegations had been one of the issues that had soured his relations with the Prime Minister.

Mr Charan Singh said that when he received the complaints against the Prime Minister's son, he had suggested to Mr Desai that a commission should be set up to examine them. But Mr Desai became angry, Mr Charan Singh said, and remarked: "Let those who are making charges set up the commissions."

Last week, while still Home Minister, Mr Charan Singh issued a public statement accusing the Desai Government of deliberately delaying taking action against Mrs Gandhi for the alleged excesses of her emergency rule. The statement led Mr Desai to demand his resignation.

With a split in the party looming, hectic counting of heads was going on. The Prime Minister's camp seemed confident that not more than 30 members of the 305-member parliamentary party would join Mr Charan Singh.

The former Home Minister brought about 90 members from his erstwhile Bharatiya Lok Dal which merged with the Janata Party when it came to power in March 1977. Now, apparently many of his former supporters are choosing to remain in the Janata Party.

What remains to be seen is the effect a split would have in those northern states which are ruled by Mr Charan Singh's supporters. The Central Parliamentary Board, which is dominated by Mr Desai's supporters, has already dismissed Mr Devi Lal, the Chief Minister of Haryana. The fate of the Chief Minister of Uttar Pradesh, the nation's largest state, is not yet certain.

Mr Charan Singh plans to organize a huge rally in the capital on July 17, bringing supporters from Uttar Pradesh, his home state, and Haryana in an attempt to prove that he has greater following than the Prime Minister.

Anti-Nimeiry group in Sudan disbands

From Our Correspondent

Nairobi, July 5

The United Sudanese National Liberation Front, which continued to oppose the Government of President Nimeiry after the 1972 peace agreement ended 17 years of war in southern Sudan, has decided to disband.

The Rev Philip Abbas Chabouch, the organization's president, said today: "Our doubts about President Nimeiry's Government no longer exist."

In brief

Beirut ceasefire shattered

Beirut, July 5.—Heavy artillery thundered in Beirut tonight, shattering a lull in a five-day battle between Syrian troops and right-wing Lebanese militias.

Big explosions echoed across the city and clouds of smoke rose from densely populated areas of Christian East Beirut. Right-wing sources said the militias had rejected Syrian terms for maintaining a ceasefire.

Journalists lectured

Washington, July 5.—Four Soviet journalists working here were summoned to the White House for talks about freedom of reporting as the United States continued to condemn legal proceedings against two American correspondents in Moscow.

Soviet nuclear test

Stockholm, July 5.—The Soviet Union set off its fifth and second strongest underground nuclear test this year in western Siberia, the Upsala Seismological Institute said.

Tornadoes kill seven

Washington, July 5.—At least seven people were killed and dozens injured as two tornadoes swept rural communities in the plains states. Worst off were the small towns of Elgin, North Dakota, and Gary, Minnesota.

209 mph train record

Miyazaki, July 5.—An experimental Japanese linear motor "floating" train reached a speed of 209 mph in a test run today, breaking the record for a railway vehicle, the Japanese National Railways said.

Fresh Salonika tremor

Athens, July 5.—Salonika was jolted again during the night by moderately strong tremors, causing two old houses to collapse.

Saudi troops massed on border

Aden, July 5.—Saudi Arabia has massed troops on its border with South Yemen, authoritative sources said here today. They gave a warning that the build-up was "pushing the situation towards tension to the detriment of stability and peace in the region."

The allegations followed a swift denial by Saudi Arabia of a Kuwaiti newspaper report today that its Army had been put on alert because of the deterioration in relations between North and South Yemen.

The North has accused the left-wing Government in Aden of plotting the assassination of its President, killed last month. The Aden sources, close to the ruling National Front, said Saudi Arabia had refused a visit from Mr Mohammed Saleh Mitea, South Yemen's Foreign Minister, to discuss events in the region.

President Ali Nasser Mohammed, of South Yemen, has urged the Arab League to think again about its weekend decision to suspend relations with Aden over the murder of the North Yemen President. He described the move as "a dangerous precedent which could tear the Arab people apart."

The Government in Aden is now in full control of the imputed third governorate of South Yemen after three days of violent clashes there last month. It was the home district of former President Salim Rubaya Ali, who was executed after allegedly plotting to overthrow the Government—Reuters and Agence France-Presse.

Moscow, July 5.—The Soviet Union today warned Saudi Arabia against military intervention in the dispute between North and South Yemen. The official Tass news agency accused Saudi Arabia of trying to provoke North Yemen into attacking the South "in order to engineer a pretext for armed intervention"—Reuters.

Ottawa protests to Algeria over kidnapping of wife

From John Best

Ottawa, July 5

The Canadian Government has stepped into the case of a young Algerian-born woman apparently abducted in Montreal more than two months ago and forced to return to her native country, leaving behind her husband.

Mr Pierre Trudeau, the Prime Minister, said that the Canadian Embassy in Algiers has been instructed to protest officially to Algerian authorities about the case of Mrs Delila Maschino.

Mrs Maschino's husband, Mr Dennis Maschino, has alleged that his attractive wife was drugged in Montreal on April 25 and wheeled on board a private jet at Dorval airport. She was flown to Algeria, where she has since been kept

in confinement by her family, according to reports.

The jet is said to have been owned by her millionaire brother, Mr Messaoud Zeghar, who objected to her marriage to a Christian and insisted that she marry the bride of an older Algerian man.

Paris press reports in recent days that the arranged marriage has already taken place have not been confirmed.

Both Mr Maschino, age 26, and his wife, also 26, are immigrants in Canada, having come to this country after their marriage in Paris in 1975, and were to become Canadian citizens next month.

The Canadian Government has proceeded cautiously, partly because Mrs Maschino has been legally immigrant to Canada, is still an Algerian citizen.

Soyuz spacemen end mission

Moscow, July 5.—The two Soyuz 30 cosmonauts returned safely to Earth today, ending their eight-day mission in space.

Major Pyotr Klimuk of the Soviet Union and Major Mirosław Hermaszewski of Poland made a soft landing in their space capsule 186 miles west of Tselinograd in Soviet Kazakhstan. They were launched on June 27.—UPI.

KGB threatens British reporter

Budapest, July 5.—Miss Nora Beloff, the British journalist, complained here today that she had been held by Soviet police for 24 hours and threatened with a long jail sentence after being falsely accused of spreading hostile propaganda.

Miss Beloff said she was allowed to leave Hungary only when she signed a document "acceptable to the KGB officials"—Reuters.

Bishop's appeal for detained black officials

From Our Correspondent

Johannesburg, July 5

Roman Catholic bishops in South Africa have publicly appealed to Mr Vorster, the Prime Minister, either to charge black officials of the Young Christian Workers' movement (YCW) who have been detained or to release them.

The bishops' action, issued in the name of the Southern African Catholic Bishops' Conference, their coordinating body, forms part of an international campaign launched by the Roman Catholic Church to draw attention to what it considers to be the persecution of the Church in South Africa.

At least 20 members of the YCW have been detained during the past two months under the Terrorism and Internal Security Acts.

Bhutto son predicts civil war if father is executed

By David Spanier

Diplomatic Correspondent

If Mr Zulfikar Ali Bhutto, the ousted Pakistani Prime Minister, is executed, his followers believe that civil war cannot be averted, Mr Mir Bhutto, son of the former leader, said yesterday. "The implications go beyond Pakistan and affect the whole region."

Mr Bhutto, who has been seeking international support for clemency for his father, said at a meeting in London that Bhutto supporters had no faith in the Supreme Court, which is hearing the Bhutto appeal against a death sentence, because it was subservient to the military Government.

The Supreme Court was taking an insulting and humiliating attitude towards his father's case, and the Chief Justice had been acting as a spokesman for the Government.

Mr Bhutto, who is studying at Oxford, said he would be locked up if he returned to Pakistan and felt he could be more help to his father outside the country. He feared the recent release of his sister was just a diversion before his father's execution.

Our Islamabad Correspondent writes: A 17-member Cabinet was named today by General Zia ul-Haq, Pakistan's martial law administrator, to replace his previous council of advisers.

However, many of his former advisers, including two generals, find places in the new Government, which is largely composed of civilians, including half a dozen politicians.

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Malawi makes a profit from its new capital

From Nicholas Ashford

Lilongwe, Malawi, July 5

The notion that a western-style property development company could make handsome profits by developing a new capital city in one of the poorer countries in Africa may sound incongruous. Yet this is what has happened in Lilongwe, Malawi's new capital which many critics felt could never be built without bleeding the country of its scarce resources of hard currency.

The Capital City Development Corporation was set up by President Banda 10 years ago to administer and supervise the construction and development of Lilongwe, until then a small commercial town of about 20,000 people in the central region of the country.

The corporation started with 37,018 acres of freehold land endowed by the Government and the proceeds of a highly controversial £5m loan from South Africa. This loan was important in getting the project off the ground but it did not last long once building work started.

By 1972 the corporation was badly in need of new finance and it embarked on a policy which would have been the envy of the most bawling property speculator. It began to set up a series of individual property companies to which international banks and finance houses were invited to subscribe—the idea being

that each company would develop a new office block or government building. The response was gratifyingly positive.

Since then the corporation has raised a total of about £100m by this means. Eighteen such companies have been formed and some of the world's largest institutions, such as the Bank of America, Chase Manhattan and Standard Chartered, have been involved.

The total amount spent on developing the capital so far has topped the £140m mark, of which only a fraction has come from the Government.

The new result has been that Malawi now has a virtually completed new capital at little direct cost to the Government. The corporation, which receives rents from the buildings it helped to develop, has virtually doubled its profits each year and has paid dividends since its inception.

"We have been fortunate in that the corporation has had a much freer hand than new town corporations in Britain", Mr John Parkin, the general manager, says. Furthermore, there is a minimum of red tape. The Minister of Works and makes sure that things get done quickly."

Most of the construction work on government offices has now been completed and all but one government department has moved to smart, white ministerial buildings.

There is a stylish new hotel, a central business area with shops and offices. And a series of segregated residential areas—housing the rich (predominantly white), the not-so-rich and the labour force (exclusively black)—which bears the hallmark of the South African planners who prepared the city's blueprint.

Every attempt has been made to make Lilongwe into a garden city. The avenues connecting the various parts of the city are bordered by trim lawns and brilliant flowers, tended by a workforce of 2,000 gardeners.

There can be no denying the place is pleasant to look at, but the roads and central piazza are virtually deserted of people. The result is that Lilongwe is about as animated as an Orange Free State Town on a Sunday afternoon.

The corporation is now in the process of developing Lilongwe's new airport at a cost of about £30m. This is being financed by the African Development Bank, the Japanese Government and a \$25m (£13m) Eurodollar loan, the first ever to be raised by Malawi.

When completed in two years' time it will replace the aging airport at Blantyre which is not large enough to take wide-bodied jets. There is a plan

to establish a duty-free industrial area at the new airport.

Meanwhile a rail link connecting Lilongwe with the south of the country and the Mozambique port of Nacala has been virtually completed. The first phase of the railway project, costing about £30m, has been largely financed by the Canadian International Development Agency. A second phase, linking Lilongwe with the Zambia border, is now under way and will cost about £25m. This is also being largely financed by the Canadians.

When President Banda first announced his intention to build a new capital he was widely criticized abroad for spending money on what was regarded as purely a prestige project. However he justified his decision by emphasizing the need to move the country's centre of gravity away from the heavily populated southern region around Blantyre and Zomba.

Lilongwe seems to have achieved this aim and the drift to the south has been stemmed. The population has swollen five-fold to more than 100,000 and will be 500,000 by 1990.

New industries are being set up, a process which will accelerate once the new railway and airport are fully operational. The surrounding areas have become the site for large rural development schemes. Unlike new capital cities in other parts of the world, Lilongwe has not so far proved to be a white elephant.

صبرنا من الازل

NEW BOOKS

One lamentable muddle

Suez 1956
By Selwyn Lloyd
(Cape, £6.50)

Winston Churchill is reported to have said: "I shouldn't have done it without the Americans." Yet, in support, the military intervention had no chance of success. Our relations with Eisenhower and Dulles surely showed in advance that they would oppose our use of force, especially during the American election, whatever Dulles said. As Selwyn Lloyd writes: "We misjudged the American reaction to what we did." Nasser judged the balance of political forces correctly: the British and French Governments did not.

The British Government seems from this account to have greatly overestimated Nasser's power. He was frequently compared to Hitler, but that was absurd, since he did not have substantial military power, however effective his propaganda. His stated aim to see Egypt dominate the three circles, Arab, African and Islamic, had no chance of realization. His policy was too ambitious for the political and military strength of his country. Selwyn Lloyd's catalogue of the dire consequences if we had tried to negotiate with him is greatly overstated.

In Cairo we were trying to negotiate our differences with Nasser over the Baghdad Canal when Selwyn Lloyd arrived. He took from his discussion with Nasser the proposition that Nasser should stop attacking us, Iraq and the Pact and we in return should agree that there would be no new Arab members—a good bargain on paper since there were not going to be any new Arab members anyway, but nothing came of the idea since Nasser went on attacking us and Selwyn Lloyd did not send the reply which he had promised. It was a pity, since a bargain on the Pact might at least have taken the edge off Nasser's hostility and, as Sir Harold Caccia said at the time, it was questionable whether we had still got the power to carry through the alternative, a tough forward policy. After that attempt went wrong, our relations plunged downhill.

In revenge for the withdrawal of the offer to finance the High Dam, Nasser nationalised the canal company. The Canal itself, which had all along been within Egyptian jurisdiction. His legal right to do it can be argued both ways. The British Government had even argued it Nasser's way some years before in the Mixed



As "The Times" reported the Suez invasion.

Courts. Selwyn Lloyd's assertion that Nasser "had acted in a manner fundamentally incompatible with the 1888 Convention" cannot be sustained, though the combination of the concession and the convention provided a better ground for the British view that Nasser had no legal right to act against the company. In any case, he was careful to carry out scrupulously his obligations under the 1888 Convention, subject to the Israeli exception for which he had plausible legal grounds. But our action was primarily a matter of politics not law. Our aim, according to Selwyn Lloyd, was to restore the canal's status as a waterway under international control. That would have been all right so long as British troops remained, but if a new Suez Canal company were to be established by force, how was the security of its

officials to be assured when the troops had left? We had found that difficult enough when we had 80,000 troops there.

We read that our aim was also "to secure the downfall of Nasser" in an operation which "must not involve us in the military occupation of the whole of Egypt and the installation of a government in Cairo, only maintained by British bayonets." Who were we going to put in, some elderly remnant of the Wafd? And how was their security to be maintained against Nasser's threat to start guerrilla action against any new government which we appointed? If we had achieved Nasser's downfall, would we have ever got out again until international opinion bundled us out ignominiously? In 1982 we had wanted to leave within a few months of occupation, but we stayed for 75 years. This

time either staying or leaving would have been highly uncomfortable. It seems that our plans had not been thought through, most probably because the people who ought to have done the thinking were not told what was going on. We in Cairo were not consulted, though we fired a few warnings at the Foreign Office on the basis of the rumours which reached us.

Until October there was no negotiation over the canal with Nasser. The Menzies mission was pointless as he was only allowed to tell Nasser to give way. But by October there were signs that Nasser's position was weakening and that negotiation might be worth while. Nuri Said rightly told us to keep up the threat posed by our forces, but not to move them into Egypt, since that would rouse the whole Arab world against us. Hammarskjöld worked on a basis for negotiation. It didn't get very far, but it was a beginning. Fawzi told me that Selwyn Lloyd was negotiating seriously, but that Pineau was only pretending. Hammarskjöld proposed a meeting in Geneva which Fawzi was ready to join, but excuses were made on our side, since British and French plans were moving towards military action to follow an expected Israeli attack on Egypt.

So the other route was chosen. It is odd that the book does not record Nasser's rejection of the British communication. Whatever one thinks of him, his prompt and decisive refusal required courage, especially since, as he told me later, some members of his government were in favour of giving way. He also told me later that his estimate of the chances of British military action had been about 50 per cent, of that to be combined with an Israeli attack. Many of us at the time would have given the same answer. Why did we not let the Israelis go ahead alone? After the landings we in Cairo hoped that our troops would go on to Suez before a ceasefire was agreed because we had said we would, but Selwyn Lloyd's account shows that he knew well that it would make no difference to our position.

And so this lamentable muddle went on to its inevitable end. There was one unexpected feature of the results. We no longer had any special position in the Middle East which we could maintain for long against pressure. We did not realize this; so we expected more than we could get. But this meant also that the results of the Suez fiasco were not so serious as the critics predicted, for we had less to lose than we thought.

Selwyn Lloyd's judgment of his colleagues and officials is warm and generous. He was a good man caught in a cyclone which swept him off his feet. It was all too much for him. He has done his best at the very end of his life to justify British policy, but I fear that he does not convince.

Lord Trevelyan

As Sir Humphrey Trevelyan, our reviewer was British Ambassador to Egypt, 1955-56.

No beginning and no ending

A Concise History of Modern Music from Debussy to Boulez
By Paul Griffiths
(Thames & Hudson, £5.50)

Paul Griffiths begins without preamble or unnecessary justification. As befits the title of his admirably lucid book, his first sentence reads: "If modern music can be said to have had a definite beginning, then it started with this—" and there follows the first of his 30 or so music examples, the opening of Debussy's *Prélude à l'après-midi d'un jeune*. From this moment of its birth in the 1890s, he traces the development of its many limbs up to and including the generation of composers now in their fifties, while at the same time attempting to show why as well as what happened during this span of more than half a century.

Of course, the initially gradual breakdown of an agreed means of musical expression was due not only to Debussy's instinctive avoidance of the strongly cadenced harmony and long-term thematic development of a musical idiom dominated by Austro-German tradition. As the author points out, it was the latter-day composers of this same tradition who, by placing increasing emphasis on the individual, increasingly sought the means to define individual emotions, eventually reaching a stage where "harmony is no longer the basis of a common language" and it is interesting to know that Liszt had earlier said that "any new composition must contain at least one new chord". For "harmony", it was quickly possible to read "harmony" as "harmony of the 1914-18 war" seemed that every aspect of accepted tradition had already been thrown back into the melting-pot.

The anti-emotional detachment of post-war society soon dispersed any lingering romanticism in music and it was the cool climate of neo-classicism just as much as the development of Viennese serialism which finally brought the nineteenth-century "form" and "structure" to a close. Since then, a dissonant harmony "had been irrevocably corrupted by irony and could now only appear within quotation marks". It was then that the beginning of the machine age with its offer of new sounds was matched by a growing interest in the alien qualities of oriental music and Mr Griffiths shows how, for the first time, ideas and influences began to flow back

Susan Bradsh

Reviews next week include Michael Ratcliffe on E. Georgian Portraits by John Kerslake, Peter Strafford on new study of the Hiss-Chambers case, Sir William Hale Boswell: Laird of Auchinleck.

Fiction

Full Term

By J. I. M. Stewart
(Collins, £4.95)
The Sweet Dove Died
By Barbara Pym
(Macmillan, £3.50)

Life in the senior common room of an Oxford college, preferably Christ Church, may be the nearest thing to the Garden of Eden available to us, since the latter is barred by the college porter with the flaming sword. The final volume of J. I. M. Stewart's Oxford life collection, called *A Staircase on Surrey*, does nothing to disturb this fantasy. The clever, eccentric fellows are amiably lifelike, and in several cases half identifiable. They comport themselves and their attitudes with a certain urbanity, wit, and that old Oxford manner. In this fifth volume pigeons come home to roost in the quad pretty like Peckwater. Aged dons doddle towards dignified book in symbolic step with the ruinous great tower in the great quad next door. A brilliant nuclear physicist causes academic alarm and then national scandal by his erratic and then apparently peccant and even treasonable behaviour.

Duncan Patullo, the successful playwright temporarily turned down, who observes and narrates the story, has the measured tone of voice of Oxford, with bookish allusion, precise pedantry, and wry jokes. He is more persuasive as hachelor than as trendy dramatist and former adventurer in the stormy seas of matrimony, and it is easy to see why his timid love life continues to be unsatisfactory.

It were idle to pretend that the style of these books might not appear unduly mannered and elitist to barbarians not enthralled by the dream spires and screaming tyres. But beneath the good manners there are shrewd perceptions of the wives, the clever undergraduates, the social climbers above all those dons. There is also mystery and surprise worthy of Michael Innes himself, and much shrewd writing about painting, which is so hard to translate into the black and white of words. An Oxford college is like a stately liner of scholarship sailing serenely down the centuries, its happy crew undisturbed by the tempests that toss us frail craft.

In Oxford, at any rate in the Alpenglow of Oxford idealized by J. I. M. Stewart, everybody is much too busy being clever, or better, inquisitive, to be bored. There are few people who are even disagreeable, except perhaps the undergraduate whose sensationalism is set on becoming a Fleet Street hack. How different, how very

Philip Hows

Cruel realities

People and Politics
The years 1960-1975
By Willy Brandt
Translated by
J. Maxwell Brownjohn
(Collins, £8.95)

In one of many vivid phrases in this book (not for nothing was he a journalist), Willy Brandt likened his reputation in his declining days as Federal Chancellor to "a monument that seemed to invite vandalism". The ultimate act of vandalism came—ironically, given the bridges he had built thicker—from the east. It was shortly after he felt obliged to resign in 1974, following the discovery of an east German spy in his chancellery, that Brandt was asked to write his memoirs. This admirable translation is from a slightly adjusted version of the German edition, published just two years ago.

Those who know the struggle which Brandt had to push through his *Ostpolitik* against the recriminations of many of his countrymen may be surprised by the fullness of his memoirs, which cover the period from the building of the Wall in 1961, while the author was Governing Mayor of Berlin, through his period as Foreign Minister, up to his resignation as Chancellor. Brandt was given to periods of depression, and frequently looked exhausted. Yet he found time and energy to keep a notebook of comments on and by such figures as John Kennedy, Lyndon Johnson, de Gaulle, Pompidou, Brezhnev, Kossygin, Gomala, and others with whom he talked and negotiated.

The 500 pages of *People and Politics* can be read both as a detailed record of the steps with which Willy Brandt made his singular contribution to détente and towards the reconciliation of Germany with its surviving wartime victims;

and as a fascinating and unusually convincing insight into the minds of those with whom he dealt. It is a self-justification and self-aggrandisement common to the memoirs of statesmen of lesser moral stature. There are some tart touches, like a description of Vice-President LBJ buying up cheap savings bonds, and an anecdote about a marked lack of malice and self-serving indiscretion. Those expecting much soul-baring will be disappointed.

Most interesting of all, given the death of first hand material about the Soviet leader, are his three lengthy encounters with Mr Brezhnev, including a glimpse of local officials in the Crimea treating the General Secretary with a marked lack of subservience, and an anecdote told by Brezhnev against himself, when after hearing about the benefits of the next five-year plan, an old peasant woman on a collective farm asked him: "You mean it's going to be more or less like it was under little Father Tsar?"

The most moving passages perhaps predictably concern his most remarkable achievements: the overcoming of the past on his visit to Warsaw to the death of first hand material about the Soviet leader, are his three lengthy encounters with Mr Brezhnev, including a glimpse of local officials in the Crimea treating the General Secretary with a marked lack of subservience, and an anecdote told by Brezhnev against himself, when after hearing about the benefits of the next five-year plan, an old peasant woman on a collective farm asked him: "You mean it's going to be more or less like it was under little Father Tsar?"

We draw to try and progress—draw the correct inferences from cruel realities", he comments after the building of the Wall. And later, after winning the Nobel Peace Prize: "There are more truths than one." This book is a monument to a man who combines idealism with tolerance and realism, and has made morality into a political force.

Roger Berthoud

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GULAG 3

Translated by H.T. WILLETS

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Grey life

Gentleman of the Road
By Charles Ackerman Berry
(Constable, £4.50)

There are dog ends and dog ends. This is one of the first lessons of being on the road. If you pick them up from lamp posts or trees you'll end up smoking dog pee.

Charles Berryman—who had to learn this lesson—was anyone's idea of an eccentric. In his sixteenth year, he decided to hoof it along the roads and streets of the late twentieth-century Welfare State, and see what it was like. He was a gentleman hobo in the long and honourable tradition of wandering scholars (and muck-raking journalists).

This book is Berryman's first, at the age of 70. It tells the story of that first year he spent on the road, in 1968. He took no money; only half a towel, a small piece of soap, a razor with one blade, and a toothbrush. He carried a few writing materials and a camera. (This last was a grave mistake: it was always suspected to be stolen.) He set out from Gloucester towards Liverpool.

Things had changed since he'd seen the world for the first time, as a child. For a start, there were fewer of them. The State no longer sends men across country on foot, looking for a job. Unconstructed, Berryman found other lessons hard to acquire as he made his dog end. For example, you must work out before it falls dark where you are going to spend the night. For his first, sleep he ended up in the call of a friendly police sergeant, and a night with a cup of tea in the morning.

One of the nice things about Berryman's book is its pleasantly courteous flavour. The police aren't wonderful—but they're not ogres, either. Again, when he encounters the official DESS Reception Centres, he doesn't like the formality, and he doesn't think they're the best way to help vagrants. But he doesn't portray the staff as fascist beasts, stamping on the fingers of the oppressed.

It is the anecdotes that stick in your mind. There is Jack, who resembles the anti-hero of *The Catcher in the Rye*; everything will be as right once he gets his card from Doncaster. There are the ones, for whom Berryman is soon non-discriminately grateful: tea and porridge when it is needed, and no questions asked. There is Berryman's descent into London, "the Mecca of hoboes, the El Dorado of handouts and opportunity"—and as deceptively as El Dorado, Ditching between the Salvator Army, the Embankment, and "derries" (derelict buildings), he goes into a walking coma from lack of food and sleep.

Tagabouts—like everything else—are not what they used to be. Not only are there few roving work-seekers there are almost as few of the old-style tramps George Orwell met, who used to make a profession of doing the rounds of the workhouse "spikes".

But even in their insecurity, they have standards. Not all wanderers have contempt for the mere "dossier", just in it for the handouts and never out on the highway.

Berryman, too, is unafraid to judge and be judged. If he sometimes sounds a bit parsony, it is because he belongs in the tradition of those who have done something about what they have seen. He helped set up a branch of the Cyrenians, to try to aid vagrants unflinchingly and without pressure.

He continued to go back on the road from time to time. It is as if he finds refreshment from our bright consumer world in that grey life. He sounds an admirable man.

Paul Barker

Literary lapses

Sir Richard Burton
By Michael Hastings
(Hodder & Stoughton, £7.50)

Professional writers do not like giving bad notices, and if this book by a typist and a pensioner would decline to discuss it. As it is, since Mr Michael Hastings is a successful and admired practitioner in the prime of life, I feel I may be frank: Sir Richard Burton seems to me to be a failure on the whole, the worst I have ever reviewed.

It purports to be a biography of the great orientalist and traveller, but it is really a modish exercise in literary self-indulgence. Mr Hastings, I gather from a cloudy and illegible text, believes that it is the biographer's duty to provide a *schema* for a man's life, and he appears to be aiming at an art form in which orthodox biographical techniques are fortified by the freedom of fiction. This is not a bad idea, but Sir Richard Burton requires a form of coda.

Of course the best biographies, however conventional in form, are sustained by empathy, but for Mr Hastings this is not enough. First he must impose that shape: four decades of virile adventuring, three of impotent stagnation—"Richard Burton", says the blurb, "at the age of forty virtually died". This conception is half banal and half false. On the one hand, adventures do not habitually adventure into old age; on the other, the last years of Burton's life were crowned by the greatest of all his achievements, his Night of the Arabian Nights.

Worse still, Mr Hastings dresses his whole work, even to its index, in a sort of neo-

Joycean whimsy, of which the heading to Chapter 3 may stand as a gruesome example: *Dogbottom scalpless sinner and the other side of the coin who dare declare the family curse a clearance whip to harvest the Irish famine?*

The book is rubbishy with inaccuracies, solecisms, obscurities, non-sequiturs and misprints. Mr Hastings offers nothing to write as though he is half asleep. He inexplicably misinterprets Burton's own report of his visit to the Kaaba, and time and again gets things not quite right. Thus the Queen of Sindh spelled her first name Hester, like anyone else, not "Hester" as Mr Hastings bafflingly prefers; Speke certainly did not add to his family crest the motto "Honour est a Nilo"; there is no such thing as a "Hindupokan"; Radek, Gordon was not "Governor of Sudan" in 1875; "diaspora" is not a synonym for "ill-treatment"; Lord William Bentinck was not an "incompetent dolt"; and he was not in India at the time of the first Afghan War.

Mr Hastings does successfully capture something of the pathos that apparently attended the Burton ménage in Trieste, but for a writer concerned with the inner side of life he curiously neglects Burton's mystic sympathies. The famous marriage is interpreted superficially; Burton's Sufi leanings are not discussed; his self-revolutionary *The Kasidah* is never quoted.

In short the book is misleading in conception, muddled in execution, pretentious and disgracefully careless. Other critics will probably love it.

Jan Morris

Nation's hero

Nelson
By David Walder
(Hamish Hamilton, £12.50)

"Well, then," I exclaimed, "I will be a hero, and confiding to Providence, I will brave every danger." Thus the mature Nelson was to recollect the conscious resolution made by the 18-year-old boy who returned to England from India in 1776, his constitution and health permanently damaged by a malignant fever, and his hair already turning prematurely from fair to white.

On that journey home, Nelson had suffered the experience of being almost overthrown psychologically by adolescent depression, and the resolution by which he had survived this crisis was seen subsequently as the turning point in his life. Thereafter, Nelson never lost his immense sense of his own destiny.

In this there was a great deal of what must be called vanity. As an admiral, he still felt it worthwhile to recall the praise given him by the commander of the first ship on which he served as a lieutenant. In posterity (he chose St Paul's as his burial place because it seemed to him a more durable edifice than Westminster Abbey), he cared for honours and titles. "If it be a sin to covet glory," he admitted to Lady Hamilton, "I am the most offending soul alive."

What he covered, he obtained. In his life and in his death Nelson was the nation's hero. The achievements of this superb naval tactician in the battles of the Nile, Copenhagen and Trafalgar, were unmatched, and psychologically crucial in the struggle against Napoleon. His immense physical

courage had been recklessly demonstrated since boyhood.

At first sight, Nelson was not perhaps the most obvious stuff of which a fighting commander might be made. For he was sensitive, intelligent, physically frail, self-willed and self-consciously heroic—with an almost excessive urge to have his portrait painted. In many great soldiers and sailors there has been a strongly histrionic element. That, perhaps, is essential for their leadership of other men.

In Nelson, it could have been this very theatricality which drew him into his amazing and improbable relationship with Emma Hamilton, of whom David Walder observes: "More than most, she regarded life as a drama in which she had a permanent role as a heroine."

This new life of Nelson is comprehensive, scholarly and written with a smooth pace and easy unaffected style that makes it immensely readable. It provides a proper balance between Nelson, the great Admiral, and Nelson the man—mysterious, religious, and genuinely in love with just about the most unlikely sort of woman who could be imagined for a nation's hero: a heroine who had the easy manners of a good-humoured maid, a Merseyside accent, and a passion that could hardly be mentioned in polite society.

Mr Walder's biography is as successful in making naval battles exciting even for those not closely interested in them, as it is in describing the strange trio of Nelson and the two Hamiltons in the bizarre setting of the Kingdom of the Two Sicilies. It is a readable page that Mr Walder has plainly not fallen in love with his subject, for he is not at odds with him either.

Ronald Butt

Travels with a dogma

1968 and After
Inside the revolution
By Tariq Ali
(Blond & Briggs, £5.25)

Tariq Ali's first page at least is modest. He is simply trying, he says, "to attempt a preliminary survey of revolutionary socialist politics over the past decade" and to present "a sociological evaluation of the revolutionary left". But, alas, there is very little modesty or self-criticism in what follows.

Ali begins by describing visits to North Vietnam and Bolivia, events in 1968 in Mexico, Czechoslovakia, and then developments in Chile and Portugal. He then sketches a brief history of the left's progress in Britain and sums up the chances of establishing socialist democracies in western and eastern Europe. Unfortunately, Ali's unshakable self-confidence makes "Travels with my dogma" seem a rather more apt subtitle than "Inside the revolution".

One is left feeling that had the revolutionary Errol Flynn, only been at their side, Cbe would have been alive and well and living in Bolivia. Dubcek and Allende would be presiding over socialist democracies, and Portugal's socialists and communists would have been well on the way to establishing the revolution there. Or should it be Walter Mitty? For the chapter on Chile is so offensively and superficially critical that one feels that Ali is doing no more than (in his own memorable phrase) "posing on Allende's grave".

For the rest, there are critical judgments on the failings of democratic socialists, communists and all the left except for the Fourth International and International Marxist Group to which Ali belongs. Others come in for criticism of a kind too. For example, he writes of Isaac Deutscher: "He was, in my opinion, wrong on a number of important questions..." But that in no way detracts from his stature as an outstanding Marxist historian, a writer of flawless English prose and a far-sighted political analyst.

Well, judgments are not always wrong. For example, Ali shows how the communist parties in all these countries played a conservative role in upheavals which did throw open the chance of real advances by the working class. He further has a worthwhile faith in the ability of working people to change the world.

However, this in no way detracts from his stature as an outstanding Marxist historian, a writer of flawless English prose and a far-sighted political analyst.

Stuart Weir

In addition to Selwyn Lloyd's *Suez 1956* there is *Dulles by Leonard Mosley* (Hodder & Stoughton, £7.95) a biography of John Foster Dulles, his brother Allen, Director of the CIA, and their sister Eleanor, from 1952 to 1959 in charge of the Berlin desk in the State Department.

The *Real Suez Crisis* by Jacques Georges-Picot (Harcourt Brace Jovanovich, £7.10) offers a French view.

Susan E.

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Ronald Butt

Bremen: it's the political muscle that is missing

It is recognized that Britain has now done about as much as it can be expected to do to stimulate its economy, and that applies to Italy, too

Not unreasonably, the Germans are reluctant to risk the consequences of creating inflation in their own economy, and they stress the importance of currency stabilization in the EEC, against tendencies towards industrial protection in the EEC, against which Herr Genscher, the German Foreign Minister and President of the Council of Ministers, spoke again in Luxembourg on Tuesday.

And here again we come to the conflict of political interests. After all, what is the essential difference between the tendency to industrial protectionism which the Germans insistently attack, and the agricultural protectionism of the EEC which, through the Common Agricultural Policy, particularly benefits Germany? Is protection in all circumstances wrong? The CAP has its justification in the wish of mainland Europe (little understood in Britain) to avoid political instability. By keeping agriculture going, preventing the collapse of small European farms with the consequent unemployment, and maintaining a proper and healthy balance between town and country, the CAP has a valid claim to us.

Is it not important that agriculture in Europe should be maintained and self-sufficiently protected—and may it not come when we see that, in the interests of reasonable degree of self-sufficiency, certain European industries have to be protected?

There is, indeed, a political prejudice similar to that of British left, which is happy to subsidize the production of a war in the Middle East, and sell cheap subsidized goods to Russia for the sake of its preservation, and the protectionism of the Continent right, which would do the same for farmers.

These things are questions of political judgment and interest, they can be solved only by political bargains and treaties. To tackle them on the European level with any effectiveness is bound to pose the question of a higher kind of political authority and unity than exists now or is in prospect in the EEC.

That may not be either desired or possible. But it surely the ultimate question raised by the kind of discussion taking place in Bremen today.

The problems immediately before the heads of the EEC governments at their meeting in Bremen today and tomorrow are economic. How is the European Community to return to an acceptable level of growth in relation to the other main trading areas of the world, and how are the European countries to overcome the damage to growth which arises from the instability of currency relationships?

Obviously, each of these questions, in a sense, an aspect of the other. Growth is impeded by currency weakness and instability; and the weakness of one currency in relation to another is a reflection of real differences in the achievement and potential of growth in different countries.

But, of course, the underlying problem is not economic but political. In the last analysis it concerns political authority, or rather the lack of it, in the European Community.

The point can be illustrated by recalling the dramatic advocacy of European monetary union by the President of the European Commission, Mr Roy Jenkins, in his Florence lecture last November. In Mr Jenkins's analysis, the case for a common currency, or EMU, was both economic and political. The benefits of a new European currency would be economic in the sense that it would lead to a more stable exchange rate, and would even lead to a more stable money supply, and would even lead to a more stable money supply, and would even lead to a more stable money supply.

But Mr Jenkins also presented the idea of a common currency as a vehicle for political integration. "A European monetary union would take Europe over a political threshold."

He thus clearly stated the political objectives of a common currency, but he also said that it would be essential requirements for it—a higher European political authority, a European "government" of some sort, or even a European prime minister.

Of course, he acknowledged that a common currency could not be imposed overnight. Of course, he also said that it would be essential requirements for it—a higher European political authority, a European "government" of some sort, or even a European prime minister.

relationships—or whether some kind of genuine political unity and authority has to come first. The lesson of history is, I fear, that political unity or at least unity must come first; that a king needs to establish his political authority before he can create a common currency, and that a group of provinces or states need to agree on their political union before they can do likewise.

A new currency authority of the sort Mr Jenkins suggested, which could only manage the exchange rate and reserves, would plainly not be enough at any stage of a serious movement to a unified currency. Such a currency would require a more substantial higher political authority—and that would mean that the governments of the member states could no longer have control over their own money supply, and would even lose control over the totality of their tax burden, whatever freedom they might keep to prefer one kind of tax to another.

Now, of course, nothing approaching Mr Jenkins's proposition for a European currency is on the table at Bremen. The most that is up for consideration is some kind of "superswaps" of European currencies which could iron out damaging fluctuations in exchange rates. There will also be an attempt to reach some kind of common approach that could be taken by the EEC to the Western summit at Bonn.

Nevertheless, the implications of political authority are all the more between the lines of both kinds of economic proposition which the heads of government have to consider at Bremen.

The heads of government at Bremen have two main approaches they can take. They can attempt some kind of concerted action for economic

growth in the short and medium term, with a view to escaping from the present recession. This would involve considering what growth expectations amount to on the basis of existing policies; what individual countries could do to improve it; what kind of tax and other decisions particular states could take to stimulate growth. The assumption is that if all act together the action could be more effective than if each acts separately.

This kind of approach has so far commanded a more insistent consensus of approval in the British Government than the idea of concentrating on the idea of a solution by new currency stabilization arrangements—though that approach has its advocates too. (The British Government has throughout rejected the Jenkins approach on the grounds that it puts the cart before the horse and it would first be necessary to put right the real differences between economies by a real transfer of resources between the prosperous and less prosperous states.) The British Government prefers to stress the need for reflection within other parts of the EEC.

The Germans and the French, on the other hand, lay greater emphasis on some kind of currency-stabilization arrangement so as to minimize the damage to growth in particular countries caused by short-term exchange rate threats. And this divergence of approach can also be explained by a divergence of political interests.

For on the whole, it is recognized (including by the Brussels Commission) that Britain has now done about as much as it can be expected to do to stimulate its economy, and that applies to Italy, too. This means that if a stimulus is to be applied it must come from the Germans in particular, and from France and Benelux.

The prison sentences storm: was it necessary?

Perhaps it is the Puritan streak in reformers which makes them eschew the sordid business of salesmanship. The report on sentencing by the Advisory Council on the Penal System could have done with a little of it, judging by some of the wider comments about its recommendations.

The furious row which has developed over their apparent leniency has obscured how far the report has gone in meeting the demands of some of the law and order lobby who are now attacking it.

For it would have been perfectly possible, if less academically reasonable, to have written its opening paragraphs as follows:

"There have been increasing calls for tougher penalties for the thugs who threaten the very fabric of society and the safety of ordinary citizens. So that they may be better protected, the Council has decided to give extra support to the forces of law and order by recommending a radical change in sentencing policy. Courts have to be provided with the means to shut away such enemies of society for as long as the public's safety demands it. As a means of tackling the alarming crime rate, the Advisory Council recommends that judges should be given new and draconian powers."

For the protection of the public against serious harm, there should be no statutory limit to the length of a determinate sentence a court may impose. For certain non-homicide offences where life imprisonment is currently used, it should continue to be available as an additional power.

The decision to use such powers can obviously not be taken lightly. Clearly no court should pass such an exceptional sentence without taking into account the nature of the offence, and the character, conduct and antecedents of the offender.

"Yet serious harm is something the forces of law and order ought to have more powers to prevent. The law needs to be precise and it is with that in mind that we define what we mean by serious harm: serious physical injury, serious psychological effects of

a kind which impair a person's enjoyment of life or capacity for functioning normally (which might, for example, be caused by some sexual offences); exceptional personal hardship (for example, financial loss which markedly affects a person's way of life; and damage to the security of the State (for example, as a result of espionage) or to the general fabric of society."

"The possibility that a court might impose a sentence of quite inordinate length has to be faced, although there is the Court of Appeal to restrain or correct it. In fairness, a person subject to such a sentence should be entitled to legal aid for an application for leave to appeal and there should be greater flexibility in the rules governing eligibility for parole."

Now the Council did not present its arguments like that. What critics have seized upon is the recommended reduction in the so-called "maximum" sentence for particular crimes, ignoring not only that this is based upon the sort of sentences courts are actually passing in

the vast majority of cases, but the contradiction the word "maximum" implies. For it can be used in this context in certain appropriate circumstances are able to exceed it?

In one respect the failure of the Council to go out of its way in the report to appease its enemies is successful. It is plain there is no bud in Dr Gough's in the Home Office. So far as the report concerned, Newspeak is the name.

Instead, there is Mr Lord Blom-Cooper, QC, chairman of the Howard League for Penal Reform, who has a touching belief in rational argument, who ever anyone else may, in a rational world, think about. He chaired a group that did much of the detailed work of the report. And he would not open until a new report drum for the law and order lobby; yet this is what a scrupulous report could have done, given some of the recommendations it contains.

Peter Evans

Home Affairs Correspondent



In conflict over Irish unity: Eamon de Valera and Neville Chamberlain.



Chamberlain, and the offer that de Valera turned down

Mrs Thatcher's recent promise that the maintenance of the union of Great Britain and Northern Ireland would be a central object of a future Conservative government, and Mr Jack Lynch's renewed call for a declaration by the British Government "of their willingness to encourage the unity of Ireland in independence", prompt reflection about the offer of the principle of a united Ireland made by Neville Chamberlain to Eamon de Valera in June 1940.

Perhaps the most significant features of that offer were the willingness of a Conservative British Prime Minister to go over the heads of the people of Northern Ireland and the reluctance of the Irish Premier to accept a declaration in favour of a united Ireland from the British Government.

Details of the offer, which was mentioned briefly in the biography of de Valera by Lord Longford and T. P. O'Neill published in 1970, was brought to the attention of *The Times* by Dr Charles Cruickshank, the historian, who found them in the Cabinet papers of 1940.

The British War Cabinet felt in June 1940 that Eire, as it then was, would be the next neutral country to be invaded by the Germans. Intelligence reports indicated that 2,000 *gauleiters* had landed in U-boats and were cooperating with the IRA in preparations to set up a government based on the 1916 Constitution after a German invasion.

On June 17 Neville Chamberlain, Lord President of the Council, sent Malcolm MacDonald, Minister of Health and a friend of de Valera, on a secret mission to Dublin. His task was to secure Irish ports for use by British ships and to persuade the Irish Government to put down fifth columnists and abandon neutrality.

De Valera said that Ireland would abandon neutrality and would open its ports to British ships only if there was a united Ireland. MacDonald reported back to the War Cabinet on June 20 and it was decided that de Valera should be offered a declaration by the British Government in favour

of the principle of a united Ireland in return for allowing British ships and troops access to Eire and internment of German and Italian nationals.

Churchill was concerned at the way Northern Ireland was being sacrificed, but he agreed that its interests were subordinate to the overall war effort.

On June 21 MacDonald returned to Dublin and offered de Valera the declaration in principle in favour of a united Ireland, the details to be worked out later, with Ulster remaining belligerent and Eire neutral but allowing access to British ships and troops.

De Valera refused the offer and proposed instead the establishment of a neutral united Ireland, with the presence of American ships and troops to guarantee its neutrality.

MacDonald rejected the proposal on the ground that Ulster, with its large ship-building industry, was too important to Britain to be allowed to become neutral. He added that he did not think Germany would respect the neutrality of a united Ireland, which would provide an ideal base for launching an invasion of Britain.

MacDonald finally suggested the declaration in principle of a united Ireland which would become belligerent on the side of Britain. De Valera replied that if such a declaration was accompanied by a Constitution, the Government of Eire might agree to enter the war.

The War Cabinet considered his remarks on June 25 and Chamberlain wrote formally to de Valera offering a declaration accepting the principle of a united Ireland, and the immediate establishment of a joint defence council and joint body to settle the constitution.

In return Eire would enter the war on the side of Britain, allow access to British troops and ships, intern German and Italian nationals and suppress the IRA. Britain would provide Eire with military equipment.

On June 26 MacDonald saw de Valera and found him "extremely gloomy about our pros-

pects of winning the war. I felt that this pessimism was having a considerable influence on his attitude to our plan."

The next day MacDonald met members of de Valera's Cabinet and tried without success to persuade them to accept Chamberlain's offer. His report of the meeting records that he told them:

"The present was the best opportunity that had yet offered itself of a union of the whole of Ireland being achieved. Such an opportunity might never return. If the North and South could be united on the basis of their being joined together in the prosecution of a war in defence of the freedom of the whole of Ireland against the Nazi attack, then that union would not be broken afterwards. But if the leaders of Eire now stayed out of the war, and perhaps contributed to German strength by doing so, while the people of Northern Ireland and of the United Kingdom were joined in the supreme struggle against the Nazis, then none of us in Britain would be very concerned to create a united Ireland."

No further offers of a united Ireland were made to de Valera after the failure of MacDonald's mission. In December 1940 Churchill wrote to Roosevelt that, "It is not possible for us to compel the people of Northern Ireland against their will to leave the United Kingdom and join Southern Ireland. But I do not doubt that if the Government of Eire would show its solidarity with the democracies of the English-speaking world at this crisis, a Council for Defence of all Ireland could be set up out of which the unity of Ireland would probably in some form or other emerge after the war."

In December 1941 Churchill sent a personal telegram to de Valera saying: "Now is your chance. Now or never a nation once again. Am very ready to meet you at any time." He made clear, however, that he was not suggesting any deal over partition. His words meant simply that Ireland might regain her soul by joining the war. Churchill maintained that Irish unity could come about only by consent arising out of war comradeship between North and South.

Ian Bradley

Is there a marmalade as universally famous? Known and loved world-wide since the men of Oxford took it with them on their travels in the last century, Frank Cooper's Oxford Marmalade in all its chunky, thick, aromatic glory, has come to typify the British breakfast.

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Tommy in the bright lights

While the theatrical headlines have been filled with the exploits of Evita, another rock musical has been taking to the stage at a theatre near London and is about to descend on a wider public.

Tommy, a "rock opera" written by Pete Townshend and recorded by The Who, has been filmed, in a memorably flamboyant style, by Ken Russell, but it had never been staged fully until the Queen's Theatre, Hornchurch, decided to tackle it earlier this year.

They brought in several singers, including Dana Gillespie and Allan Love (who have sung in such shows as *Jesus Christ Superstar* and *Godspell*), added a rock band and a choir of 39 local teenagers, and turned it into a spectacle that has been a runaway local success.

After an initial run of four weeks, it was brought back last month for three more weeks, at a time when the theatre would normally be closed for the summer, and ended up with local people competing for tickets and with enthusiasts travelling from as far afield as Liverpool and Derby.

The theatre director, John Hole, said all the members of the Who had seen the show and liked it. Now it is planned

to transfer Tommy to the West End, with an opening, it is hoped, early next month.

The story, about a blind pinball machine player, might seem to lack mass audience appeal, but after all, there was a time when no one thought Eva Peron was a suitable subject.

Opera under canvas

Faced with the difficulty of finding provincial theatres large enough to take a tour by the Royal Opera company, Covent Garden officials are experimenting with the idea of borrowing the big top used by the Royal Ballet.

The tent is in use by Sadler's Wells Royal Ballet in Plymouth this week, and so on Sunday its orchestra, with guest singers, will provide an evening of opera highlights to test the acoustics. More opera highlights are being presented tomorrow night in Cardiff, at a free concert. The Welsh National Opera is presenting extracts from operas to be performed in the coming season in the hope of persuading people to pay to hear the complete works.

Pedro Lavirgen, the Spanish tenor, replaces a sick Charles Craig as Pollione in Bellini's *Norma* at Covent Garden tonight.

Pick your own virtuoso

Most people who have sat through music competitions will agree that the jury is often the best judge, but one of the judges thought the same way, so the prize went to the other finalist, Gerard Akrot.

The Carl Flesch International Violin Competition, which starts on July 21 as part of the City of London Festival, has a distinguished jury, including such violinists as Yehudi Menuhin, Zino Francescatti and Wolfgang Schneiderhan, but it also offers a measure of audience participation.

When the field of about 40 competitors from 20 countries has been winnowed down to the final six, the audiences at the final concerts will have their own vote to decide the best violinist.

Each finalist will play a concerto with the Royal Liverpool Philharmonic Orchestra, under David Atherton, at Guildhall on July 26 and 27. The jury will decide the overall winner, but the musician who has won the hearts of the public will receive a special audience prize of £400.

Such a scheme seems a distinct advantage over the system used at the Rupert conductors' competition, held in London in April, where the audience was not consulted but the orchestra in the final stage was canvassed for its views on

the merits of the two men behind the baton.

The members of the BBC Symphony Orchestra came to the conclusion that Maximiano Valdes, the Chilean conductor, was the best; however, only one of the judges thought the same way, so the prize went to the other finalist, Gerard Akrot.

In the circumstances the orchestra must have wondered why anyone bothered to ask them in the first place.

Boosting the audiences

A London theatre that offers a diet solely of Shakespeare, runs without grants from the Arts Council or from local authorities, and has an audience capacity of only 485, hardly has a recipe for financial success.

So after two years of existence, the St George's Theatre, Edinburgh, decided to seek help from commercial sponsors, only to find that every other arts organization seems to be chasing the same few sponsors.

Luckily St George's has another string to its bow. It is now in process of increasing the seating to 600; it also plans to install a balcony, with 300 extra seats, but has been unable to fit in the work this year.

Even so, the building work will delay the start of the new season, George Murdoch, the artistic director, said it was now

hoped to open in mid-September, with three new productions: *Julius Caesar*, *Richard II* and *As You Like It*.

"I never thought it worth being a Liberal candidate back in the Sixties..."

The unwanted theatre

When the Repertory company at the University Theatre, Newcastle upon Tyne, went out

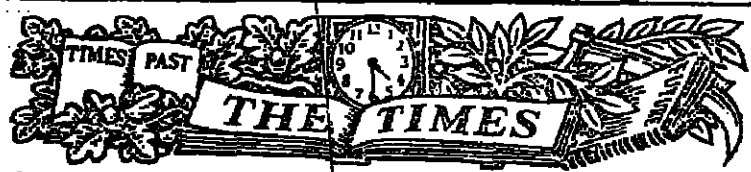
of business 18 months ago, after years of Equity, the actor union, occupied the building, prevented its closure, and the union backed a season of productions there to keep open until a new repertory company could be formed.

Now the union, already embarrassed by losing £25,000 on its season, faces a marked reluctance on the part of its main funding body, Tyne & Wear Council, to establish a new company in the theatre. The council thinks the £300,000 building is too small to be viable.

One scheme vigorously opposed by the council was to set up the new theatre company in a former N film cinema, which was being used by amateur groups. The idea soon fell by the wayside, but the latest plan, which is now forward for approval by the council's policy committee, is to open until a new repertory company, based at the Sunderland Empire, 1 miles from Newcastle, it will provide productions to 100 theatres in the region, including, for part of the year, the University Theatre.

What, then, would be done with the rest of the year while the cinema, and new, purpose-built, fully equipped theatre, the centre of Newcastle? On suggestion from a council leader: develop it as a conference centre.

Martin Huckerby



MR HEATH JOINS THE CAMPAIGN

Ever since she became leader of the Conservative Party Mrs Thatcher has suffered from the evident disapproval of her predecessor. Mr Heath has been prepared to serve in the shadow Cabinet, now displaying any warmth of regard towards her. These personal differences have been particularly damaging to the party because they have intensified the impression of a degree of ideological division that is unusual among Conservatives. Quite often he has seemed to convey the idea of a Conservative party in exile. Sometimes it has appeared that the split was about to be healed. At the 1976 party conference, for example, he received a standing ovation after he seemed to go as far towards an endorsement of his successor as was possible for a man of his pride and reticence. Such hopes have always proved to be short-lived, but now he has gone further than ever before towards healing the breach.

He said at Penistone last night that he would fight just as hard in the coming general election as he had ever done for the return of a Conservative government. The change of leadership, he went on to say, would make no difference to his determination to install the Conservative in office and he wished every success to Mrs Thatcher and her colleagues. That should remove

any fear she might still have had that he would not be out of the election, except for the occasional communication with his constituents from an Olympian height. He will campaign actively and vigorously for a Conservative government.

But nothing that he has said so far indicates that he would be a member of such a government. He has offered Mrs Thatcher support, but it is still support from a distance. He attacked Mr Callaghan and his ministers last night, but he did not directly bestow any praise upon Mrs Thatcher and her colleagues. Instead, he indicated the qualities that the Conservatives would need in order to achieve success. They would have to show that the party is broadly based and that their sole concern was the welfare of all their fellow citizens. His theme, in other words, was the Conservatism of one nation—even though he did not use the phrase—and it is reasonable to assume that he will throw himself into the campaign with his accustomed energy, but on his own terms.

That should, however, suit Mrs Thatcher reasonably well. There has been every indication that he would fit comfortably into her shadow Cabinet or Cabinet. He does not share her view on some of the most critical issues of government and he is too powerful a personality

happily to accept directions that he believes mistaken. Nor would it be as simple as some speculation has implied to have off a particular activity of government and leave it to him to get on with it on his own. Especially now that we are in the European Community, the conduct of foreign affairs is bound to be increasingly enmeshed with domestic policy. Attitudes may change, but on the basis of present evidence Mr Heath would be likely to be an uneasy and disturbing presence in a Thatcher administration.

It is in the election campaign that his contribution would be of most value to his party. His standing in the country has risen considerably since he lost the leadership. His emphasis upon more long-term considerations, and the sense in which he has appeared to be above the petty exchanges of the party battle, have won him a greater reputation for statesmanship than he ever enjoyed in office. His active support of Mrs Thatcher would therefore be of double value to the Conservatives. It would go a long way to removing the impression there would otherwise be of a divided party and it would increase her claims among that section of the electorate where her appeal is weakest and his is strongest.

IN SEARCH OF A ROLE FOR THE GLC

At the last elections for the Greater London Council thirty candidates stood committed to seek the abolition of the body they were trying to get elected to. The voters, who tend to be suspicious of anything resembling frivolity in politics, gave them scant support. However, the Tory administration which came to power succeeded largely on the strength of their claim that there was something fundamentally wrong with the role of the GLC as playing. Below the GLC the thirty-two boroughs have wide powers and large populations; overhead, the central government is too well aware of London's regional and national weight to allow a very free hand in strategic planning. The uneasy distribution of powers leads to friction with the boroughs and expensive multiplication of staff. Londoners generally feel that the GLC is remote, costly and overgrown.

The triumphant Tories last year immediately set up an inquiry into the structure of London government under the chairmanship of Sir Frank Marshall, a former Conservative leader of Leeds City Council. Because of Sir Frank's allegiance, as well as a Labour Party disposition dating back to LCC days

to rethink of London government at their own affair, most organizations allied to Labour failed to offer evidence. Meanwhile the GLC leadership reinforced the impression that Marshall was in their pocket by making confident predictions about how they would transform the council.

Marshall turns out not to have been in anybody's pocket. He makes no crude clamour for a return of housing and education to the individual boroughs, and rejects the Tory assumption that the GLC was always intended to have a purely strategic role. Some services, such as fire prevention and refuse disposal, work best on an all-London basis; the GLC's valuable supply of special skills (industrial, financial, architectural and so on) should earn it a close involvement in practical planning. The proper role of the GLC must involve not only sketching in the broad outlines of policy but also providing services which the boroughs, limited in size and unequal in resources, cannot provide economically.

Nevertheless, the general direction in which Marshall wants the GLC to move is clearly upwards. He would like some powers to be wrung from Whitehall above and others relin-

quished to the boroughs below. Broadly, this is right. It is in squabbles with boroughs over individual sets of traffic lights and the like that the GLC can seem most irrelevant. Where Marshall advocates a plunge even deeper into the details (as with London Transport and dockland) he is usually wrong.

But the upward movement needs to be thought out with care. The report recognizes that there is less of a role for the GLC in housing provision than there used to be. Nevertheless, it proposes oversight of capital resources and a centralized allocations list to counteract the glaring disparities of provision between boroughs. In education, it accepts that ILEA provides a service which the constituent boroughs could never provide separately. It proposes that ILEA should be made a joint committee of those boroughs without GLC involvement. Although this would diminish its present undoubted remoteness from the electors, the change would throw an excessive extra financial burden on some of London's poorest councils. In general, however, the report is a constructive attempt to find a useful and clearly-defined role for the GLC in the middle of the sandwich of power.

A PLANNING AGREEMENT FOR COAL

Mr Anthony Wedgwood Benn saw clearly that there was political capital to be gained from signing the first planning agreement with a nationalized industry at the annual conference of the National Union of Mineworkers. But that says more about his political skill than about the importance of the agreement to energy policy as a whole. In fact there is little new in the planning agreement either for the coal industry or the miners. The plans for production for the take-up by the Central Electricity Generating Board of some 72m tonnes this year put of a total of between 115m and 120m, and for capital investment of more than £400m annually to 1982-83, have all been produced in some form before.

The planning agreement is a natural extension of the Government's examination of the coal industry which followed the 1974 miners' strike, and the tripartite

report of the Government, the National Coal Board and the NUM which was published last year. As such it is valuable, but it will be more valuable when joined by agreements with the electricity, gas and oil industries. There is a danger, however, that the planning agreements will simply increase confusion by adding yet more words to those produced by the Department of Energy itself, the Energy Commission and Government spokesmen.

The consultative document on energy policy which came out earlier this year provided a framework of ideas and left many details to be worked out as economic conditions developed. Until the mid-1980s, on the most conservative estimates, Britain's energy needs will be met by North Sea oil. From then on other energy sources will be needed. Some will come from the nuclear programme, but coal is to be the mainstay of

electricity generation. Mr Benn has said he will order oil-fired power stations only in exceptional circumstances, but the Central Electricity Generating Board itself is not sure that supplies of coal will be sufficient as we move into the next century.

That is a long time ahead for politicians. The planning agreement with the coal industry looks only five years ahead. It is, however, to be reviewed annually. Consequently, together with planning agreements for the other fuel industries it should contribute to implementing the green paper on energy policy. For the miners, energy policy affects job prospects. For the nation it is the cornerstone of prosperity. If planning agreements can help weld together often disparate interests they should be given the chance to do so at the risk of adding more weight to the bureaucracy's wastepaper basket.

Changes in birth-rate

From Mr Anthony Cheke

Sir, The concern in France about the low birth-rate should be seen in a much broader perspective than that expressed in the analysis reported in your columns yesterday (June 29). While it is true that any change in the birth-rate will lead to an imbalance in the age structure for two or three generations, the difficulties associated with such imbalances should not be seen as the only issue, to be "solved" by measures to raise (or lower) the rate in compensation; the resulting cyclic fluctuations are likely in any case to be just as problematic.

The major issue should be: What is the population that a country can comfortably support in the long term? The French report claims that the absolute minimum requirement is replacement for the existing reproductive generation, but as this is a huge generation, replacing it will lead to a substantially increased eventual population for the country. Is this what the French want? Perhaps the couples who are "refusing" to have more than two children are voting with their contraceptives because they feel there are enough people around already.

France is less densely populated than Britain, but here there are excellent arguments for reducing the population by over 50 per cent in the long term (a figure of 20 million is often quoted as "ideal"). England is one of the most densely settled areas in the world, and were we a poor tropical country, would

have been condemned as grossly overpopulated long before the grandparents of most of the population of Java or Bangladesh were even born! However, if such a reduction in numbers were the priority, the resulting "chronic excess" of elderly people which would occur during the change (spread over, say, 150-200 years, a reduction of under 1 per cent per year) would be seen as part of the process, to be understood, catered for and adapted to, not as some sort of disaster.

Similar worries to those existing in France are widespread over here also (viz the unalloyed delight in news of a recent small upturn in our birth-rate), but these short-term responses should not be allowed to cloud thinking on the really important issue—how many people do we want to have, can we afford to have, in a small country in the twenty-first century?

Yours sincerely,
ANTHONY CHEKE,
Political Ecology Research Group,
c/o 36 Wharton Road,
Oxford.

June 29.

Inner city cycle route

From the General Manager Peterborough Development Corporation

Sir, We were pleased by your Motoring Correspondent's praise (column, June 30) for Peterborough's experimental four-mile

city-edge to city-centre cycle route. As Peter Waymark says, this is the biggest attempt yet to provide safe, convenient ways for cyclists through congested inner city streets where there is no room for purpose-built cycleways.

The route crosses several roads, where priority is given to the cyclists by traffic lights. Even so, average journey times for cars along the matching four miles of roads to the city centre have increased by only 45 seconds in the peak hour. The number of cyclists using the route is up by about 30 per cent, but cycle journeys to work in Peterborough were already twice the national average. What the experiment seems already to have proved is that schemes can be devised, and at very modest cost, to enable many more people to cycle to and from city centres much more safely and without significant hindrance to motor traffic.

In addition to this special route, since 1970 we have built 48 miles of completely segregated cycleways through the new townships, industrial areas and parks in this expanding city. The system is being extended by about ten miles a year. We also have an extensive busway system—again quite cheap, efficient, and safe. But that's another story.

Yours faithfully,
WYNDBAM THOMAS,
General Manager,
Peterborough Development Corporation,
Touhill Close,
Peterborough.
July 3.

The Prince and the Pope

From Mr David Shorney

Sir, Prince Charles's much publicized remarks to the International Congress of the Salvation Army deserve more than the faint praise accorded them in your editorial (July 4). Few would dispute that they echoed the feelings of the vast majority of people in this country who care deeply about the Christian faith and the influence of the church in contemporary society. However, justified on grounds of ecclesiastical law and egalitarian principle the Pope's ruling may have been, the Prince's remarks were far nearer the common mind of the Roman and Anglican communities as it has emerged in such manifestations as the reports of the joint doctrinal commissions.

If the joint commission on authority was right in finding a justification for the exercise of authority in the church by reference to the importance of preserving the fellowship and common life of the Christian community, the Pope's ruling can have done nothing to promote the growth of that common life which has been such a remarkable feature of the last two decades. The Prince's remarks must be welcome to all who seek the reunion of Christendom and a wider and more profound understanding of the Christian faith by the people of this country.

Yours sincerely,
DAVID SHORNEY,
Chairman (National Council) of the William Temple Association,
Avery Hill College, SE9.
July 4.

From the Reverend Paul M. Lloyd

Sir, In the balanced leading article today (July 4), "The Prince and the Pope", your direction of attention towards the marriage discipline (or, rather, indisdiscipline) of our own Church of England is justified. Anglican clergy are required to marry indiscriminately couples who are nominally "C of E". In spite of maximum marriage preparation on the priest's part, there are no other significant concerns on the couple's part for the religious nurturing of their possible future families. Compare this prevalent situation with the positive intentions of Prince Michael who, with his wife, denied the Sacrament of Holy Matrimony in either the Roman Catholic or Anglican Church. I am, Sir, Yours faithfully,
PAUL M. LLOYD,
The Vicarage,
Ringmer,
Lewes, Sussex.
July 4.

From the Reverend Roger L. Roberts

Sir, Your distinguished Religious Affairs Correspondent may be correct (July 4) in maintaining that contemporary Anglican flirtation with Roman Catholicism, in the cause of ecumenical relations, may involve "a time-bomb under the Throne". He is, however, incorrect in arguing that, since in 1978 there are no political disputes with the Pope, the time-bomb is not Roman Catholicism should be blown to the monarchy is now an absurdity. With respect, Sir, your own editorial of the same date (July 4) is in error in asserting that the "unique exclusion" of Roman Catholics from the British Throne is "an absurd anachronism".

Quite apart from the unique values inherent in the continued maintenance of the Church of England as by law established with the Monarch as its Supreme Governor, there is the fact, ignored by most

contributors to the present argument, that the Roman Catholic Church, for all its enormous virtues and graces, still unhappily chooses to act not only as a Church but as a political organism, with its own Head of State, its own diplomatic apparatus and its own distinctive political activities.

It is this fact which makes unacceptable the idea that the King or Queen of the United Kingdom should be a Roman Catholic, with the inevitable risk that the ultimate secrets of State might possibly, through conscience, be made available to that is not only a Church but a foreign power, and that the influence of this foreign power should be brought to bear, however indirectly, on United Kingdom affairs.

The remedy obviously lies in Rome's own hands. Let the Vatican follow the example of all other Christian churches and renounce political status and activity. Meanwhile, it does not lie with any Roman Nonconformist in the United Kingdom, however exalted in his own hierarchy or level of public acknowledgements of "impertinence" against the Heir Apparent for voicing his own opinions in this field. The boot of impertinence lies firmly on the other foot.

Yours faithfully,
ROGER L. ROBERTS,
97 Corringham Road, NW11.
July 4.

From Mr Michael Leach

Sir, As a Catholic schooled by Jesuits, I feel there should be no further delay by His Holiness the Pope in a public expression of condemnation of the inhuman slaughtering now rife in Northern Ireland.

If the Pope can afford the time and his energy to concern himself over such a minor out dated piece of doctrine as to preclude Prince Michael of Kent and his then fiancée, the Baroness Marie Christine von Reibnitz, to be married in church, surely the Pope as prominent world figure and an authority on true Christian behaviour, should begin to contribute a constructive solution towards stopping these militant groups in Ireland.

Yours faithfully,
MICHAEL LEACH,
39 Cadogan Place, SW1.
July 4.

From the Reverend D. W. Perry

Sir, On Monday the General Synod of the Church of England has the opportunity to now due to the healing of our schisms. Like eclipses of the sun such moments occur only occasionally. May I recommend to our synodsmen, bishops, clergy and laity alike, a quick perusal of Greenslade's *Schism in the Early Church*?

There is ample precedent from the early centuries for ecclesiastical scruple being allayed by invoking the "principle of economy", i.e. the freedom in a generous spirit to put on with the job of binding up the Body of Christ even at the expense of theological consistency—not even to the monarchy is now an absurdity. With respect, Sir, your own editorial of the same date (July 4) is in error in asserting that the "unique exclusion" of Roman Catholics from the British Throne is "an absurd anachronism".

We need today the same tolerance of the anomalous if we are seriously interested to heal schisms which we did not create but merely inherited. Take and read, O synodsmen; then, having read, love and do what you want!

Yours sincerely,
DAVID PERRY,
The Vicarage,
Skilghugh,
Hull.

Education voucher plan

From the Chairman of Kent County Council Education Committee

Sir, I would be much to expect Mr. Shirley Williams to improve the public-teacher ratio in each of the last four years and is pledged to continue doing so. And in the field of in-service training, we have maintained a good programme but Mrs Williams' Department is setting up of an in-service training college. Does Mrs Williams know about that?

For someone who claims to have read our voucher study Mrs Williams reveals remarkable ignorance. She claims £600,000 as the additional administrative cost. In fact the extra administrative cost is £90,000 at most, and that would be so to help administration in the larger schools, something which Kent would, I suspect, favour in any event and which might well be inevitable in any scheme which extended parental choice. By far

the largest element in the £600,000 is of course additional expenditure on the socially disadvantaged should it be thought the voucher should be weighted in this way. No decision has been reached yet on this aspect of the scheme and it is not inevitable that this will be thought the best way to deal with this problem. This expenditure would of course be spent not on administration but in schools.

Mrs Williams would in fact be more honest if she said that the logic of her position is to deny parents choice except where there is no additional expense to the state. But the voucher is not just concerned with parental choice: it is designed to secure, other ends such as parental involvement and the school's responsiveness to parental wishes. I should add that in Kent, contrary to the statement made by Mrs Williams, we have added parents to our managing and governing bodies.

Clearly no feasibility study could show whether the voucher would further parental involvement and we feel we have, therefore, to test the scheme on the ground. Many people have been shocked to see the Secretary of State adopt such a childish attitude towards what is, I can assure her, in no sense an exercise undertaken out of party dogma but a genuine pioneering exercise designed to see whether great benefit to children's education can be obtained in this way.

Yours faithfully,
JOHN BARNES, Chairman,
Education Committee,
Kent County Council,
Sittingbourne,
Kent.
June 29.

Removing dead elms

From the President of the Royal Forestry Society

Sir, In certain parts of southern England there are still large areas of the countryside scarred by literally hundreds of standing elms that have been dead for some considerable time. Many landowners and local authorities have done good work in clearing these eyesores, and in some cases replanting with suitable species, but much remains to be done.

Financial aid, notably that administered by the Countryside Commission, is available for the planning of small groups of trees and the necessary clearance beforehand, but so far as I know there is no financial assistance towards purely felling and removing these unsightly, and in most cases unsalvageable, dead elms. Could not

the Countryside Commission or local authorities consider making grants available for this purpose, when an owner is faced with heavy clearance costs—even though no replanting is contemplated?

It could be said that hedgerow trees—as opposed to stonewalls and shelter belts—although in some cases beautiful, are more harmful than beneficial to agriculture. It can certainly be said that these dead hedgerow elms are often dangerous and always out of harmony with an otherwise lovely pastoral landscape of hill, wood and valley.

Yours faithfully,
WILLIAM SEYMOUR,
President,
Royal Forestry Society,
Falconer's House,
Crichell,
Wimborne,
Dorset.

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Fashion

by Prudence Glynn

A
radical
chic

Yesterday it was possible to buy from the Oxford Street branches of Marks and Spencer a knitted cotton top retailing for less than £3 which owes its design lineage to Zandra Rhodes. Last week Zandra showed a largely retrospective collection at a new and potentially admirable venue, the redecorated Flared Hall at Olympia. She has not had a major presentation in the country for three years.

On Monday of this week the Prime Minister opened an exhibition in Westminster Hall to commemorate 50 years of equal voting rights. As this newspaper recorded the next day, he was particularly taken with the dresses worn to reflect the changes in women's attitudes and standing. *Yes, d'you say.* They conclude with a hand-drawn, hand-made scarlet chiffon dress by Zandra which stands next to an impeccable day outfit from Marks and Spencer.

Last week the Royal College of Art selected nine girls and one man from its fashion department into the harsh world of the rag trade.

For those who are by now lost or tired or both, next week I shall be writing a very practical page about some dressmaking. I hope that others, concerned with the broadest aspects of the fashion industry and its effects on the ultimate customers, will trudge through a few more paragraphs.

The connexion of the four points I have mentioned is not as weird as it might seem at first sight. Zandra Rhodes is a product of the Royal College of Art, she is (very much) a delightful and emancipated woman. She is married, immense creative gifts to the hardest work and a proper business sense: her work has been dismissed as outrageous, preposterous.

Laughed at for her green hair and her astonishing choice of clothing (once walking up Knightsbridge with her I did think the bus driver would crash into Aspley House, it is true) she and Jean Muir will always rate a place in international fashion history. So, of course, will Mary Quant and Laura Ashley, but they come in a different section. Rhodes and Muir are imperial radicals. Quant and Ashley, like Yves St Laurent, are corrugating interpreters of public mood.

The immediate question is, what do they mean to the ordinary high street shopper?

The original clothes cost a lot of money (I do not like the word expensive because it has the whiff of bad value about it). But how can you evaluate creative talent and the labour of love and commitment, without which there would be no marvellous cheap, pretty, original dresses made up in Hongkong, Taiwan, Portugal or Huddersfield?

I had wanted to sketch the Marks and Spencer top today, because it is such a perfect example of the influence of the few upon the many. The sleeve edges are stretched into a rippling curve and overlaid in a contrast thread; the scarf neckline gets the same treatment. It was Zandra Rhodes, six years ago, who invented and made respectable this finish on jersey garments, which had always been subjected at their ends to a neat and ruthless hem. Unfortunately this style is apparently just a trial run for M and S and they preferred us not to frustrate out-of-London shoppers—quite rightly. In any case, the treatment of jersey I refer to is now so widely used that it will be a familiar part of many wardrobes.

A less obvious query might be why Zandra Rhodes has not made a major

presentation in London for three years. This has to do directly with her grasp of business realities. The market for original clothes is very small here, and is known personally to herself and the manager of her enterprise, Anne Knight. Big shows here, which would be to a converted or inappropriate audience, are, except on occasion, a waste of effort and money. Selling Rhodes dresses is a personal thing—which means packing up and travelling, and meeting your customers, and going to their parties and working, working, working. To show in Britain is a luxury. To show in California is essential.

But back to influence on everyday clothes, because obviously this is where the majority interest lies. Zandra Rhodes is not only a radical in shape and fabric but in construction too. You have only to compare the superb scarlet taffeta Christian Dior strapless ball gown which Nathan-Bernans found to illustrate the New Look for the Westminster Hall exhibition and which is constructed on much the same principles as the Fort Bridge (railway, not road—there are no strings attached) with the flowing, sheer extravagance of the modern formal dress.

Her influence on the next generation of designers was evident—too evident for my taste—at the Royal College of Art degree fashion show last week. Zandra Rhodes and Bill Gibb remain the most glittering examples of the talent turned out under the regime of the incomparable Professor Janey Ironside. In an extensive profile of the College (*The Times*, July 3) Caroline Moorehead reiterated problems of which, in my role on the council, I was only too aware and which, when specifically attached to the fashion and textile schools, have been aired on this page many times.

The presentation last week was deplorable. Not one single new idea, not one flash of originality. Any reader who has hoped that fashion might become less complicated and obscure and expensive will be disappointed to know that when in doubt (or just plain lacking in creativity) put on two waistcoats, two shirts, two skirts, fudge your options with a pair of trousers underneath and a shawl on top.

If I threw up into the air an outfit (all nine bits of it) from each of the designers featured in the show, I would defy anyone to sort out from the heap of clothes who designed what.

There were some lovely textiles, particularly the knitwear and Roger Thorpe's "dashed" silks for Sue McCarthy, whose prints make my point about Zandra's influence.

Does it matter? Yes, it does. We are, after all, celebrating this week 50 years of the right to vote won by women (not opposed to, but supported by men) many of whom also benefited from the 1928 Act. Women have done only "so-so" in fashion in this century. Of those who will matter to posterity one must record Chanel, Vivienne Westwood, Schiaparelli, from France, Claire McCardell and Bonnie Cashin from America, Barbara Hulanicki (Biba), Jean Muir and Zandra Rhodes from Britain.

I am writing now about originality, not formulated success. There are now fewer women members of parliament than there were at the heady height of emancipation. The proportion of women fashion designers turned out by our admirable system more than balances the proportion of extra marriageable men in the population (who we have all been reading about with delight and alarm), but how many will be names to remember?



Shades of Miss Haversham? The type of dress which makes Zandra Rhodes rated a world talent by some and dismissed as outrageous by others. Never without wit and courage, Zandra recognizes the influence of punk in a wedding dress full of holes, decorated with jewelled pins and draped in the sort of silver chain most usually found in smart sinks. Cobwebby, moth-eaten, seductive, original? Watch for interpretations in your local shop.



New. The champagne-bubble dress, light, airy and hampering at the hem. As the jerseys are reminiscent of Paul Poiret's clutch coats, these bubbles update his 1912 relaxation of the waist and hobbling of the ankles. In palest shell-pink silk chiffon, clouded—that really is the only word—with blonde pure-silk tulle, hand-decorated with tiny flowers and edged in silk lace, Zandra Rhodes did not in fact class this as a "work of art" dress. She should have.

New. An enormous draped cardigan in cream wool striped with gold, blue and red. Worked horizontally and wearable, by the extremely bold, as a mini dress.

New. Felt makes a comeback. Out of fashion since those circular skirts of the late 1950s, Zandra Rhodes revives this material for skirts, jackets and tops and applies them with her "Painted Lady" face.

● Zandra Rhodes clothes are available from her shop-in-shop at Harrods, or from 14 Grafton Street, London W1 (Tel: 01-499 3596).

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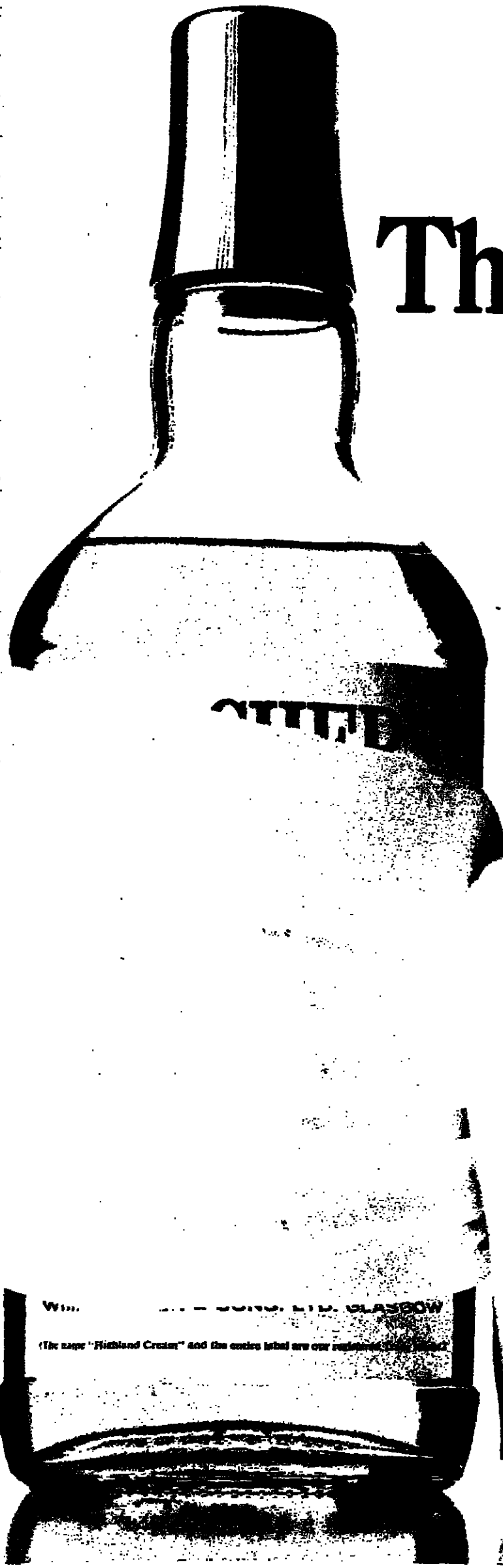
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*Decanter Magazine February 1978. †NOP Jan. 1978.



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ATCOST INDUSTRIAL DIVISION
22 Old Bond St. London W1. Tel. 01-483 0802Government and
coal industry
in first planning
agreementBy Paul Routledge
Labour Editor

The first planning agreement between the Government and a nationalized industry was concluded yesterday by the Department of Energy and the National Coal Board, with the participation and assent of the unions.

Mr Anthony Wedgwood Benn, Secretary of State for Energy, also announced an urgent investigation into the potential for an increased coal-burn at power stations.

The planning agreement was signed at the policy-making conference of the National Union of Mineworkers at Torquay by Mr Benn, Sir Derek Ezra, chairman of the National Coal Board, and Mr Joe Gormley, the miners' president.

It is expected that the deal will be followed by similar moves in the oil, electricity and gas industries.

Mr Benn said the policy pact "consolidated and institutionalized" the industry's existing tripartite consultative arrangements. While it was not a legal contract, it was a "very clear statement of intent" of the parties.

He added: "The planning agreement is the first of its kind between a nationalized industry and the Government. It will be reviewed annually, and I intend to make such planning agreements with all the fuel industries which, taken together, will form part of the integrated national energy policy which the NUM has so long urged upon successive governments."

"In the short term we must make the greatest possible use of our indigenous energy resources. This is why I have begun an urgent examination of the potential for burning additional quantities of coal in power stations to displace imports of oil and coal."

To applause from the miners, the minister said: "The Government has no intention of slipping back into the errors of the past, and will solve the short-term fluctuations shall not affect the in-

vestment in the long-term future of the industry.

"The NUM, along with all the energy unions, will be directly involved in all future energy plans, both in their own industries and generally."

The planning agreement which has yet to be signed by unions representing pit deputies and managers, recognizes that the current lower level of demand for coal resulting from the fall in the real price of oil and the prolonged recession in the steel industry has made it difficult to dispose of the whole of present output, particularly since output went up after the introduction of local incentive schemes.

This recognition underlines the Government's agreement to limit the price for the current financial year of £625m. The Government has, however, asked the NCB to reduce its need for external finance below this limit by selling more coal, and the board has reached a deal with the Central Electricity Generating Board to increase sales to power stations by four million tonnes.

The document says that the Government will continue to provide contributions to social costs and higher pensions for miners, together with £82m assistance for the power station coalburn in Scotland and South Wales. Ministers are looking at the NCB's requests for extra aid to finance coal stocks and the operations of its smokeless fuel division.

Government approval has been given to an allocation of £480m for capital expenditure by the board in 1978-9.

Sir Derek Ezra surprisingly withdrew from his address to the NUM conference yesterday a reference to the damage that price increases would do to the industry and the necessity to keep down costs. The NUM have set a target of 40 per cent increases in the industry from next March when the NCB conservatively estimates would add £4 a ton to the pit-head price of coal.

Leading article, page 17

Price notifications will be
continued in simpler form

By Derek Harris
Commercial Editor

Pre-notifying of price increases to the Price Commission by big companies is planned to continue, although in a simplified form, when profit margin controls finish at the end of the month.

This was indicated yesterday in a government consultative document on changes thought necessary.

Mr Roy Hattersley, Secretary of State for Prices and Consumer Protection, has sent the proposals for discussion to interested organizations, including the Confederation of British Industry and the Retail Consortium.

But no important changes are expected to be asked for by these two bodies, because the Government makes no proposals on the controversial issue of amending profit safeguard regulations.

The Government has considered this possibility, but has not yet reached a decision, the consultative document states.

The CBI has already reacted strongly to the idea that the historic cost basis of interim safeguards should be changed to make it more difficult for companies under investigation by the Commission to get interim rises that subsequently cannot be rolled back.

It is also questionable whether Mr Hattersley can be sure of getting a controversial change on safeguards through the House unless strong evidence is forthcoming of detrimental effects. The issue could be dealt with after an autumn election.

The Government is proposing to continue a form of pre-notification 28 days ahead of a price increase so that the Price Commission has sufficient time to consider whether to make an investigation.

But the present system under which all but the smallest companies have to submit periodic returns to the Commission or keep records for possible inspection is scrapped.

Ministers' competition
plans under
NEDC fire

By Patricia Tisdall
Management Correspondent

Vigorous disagreement with government proposals to toughen its policy on competition was expressed by the National Economic Development Council yesterday.

Giving the first authoritative reaction to the interdepartmental review of monopolies and mergers policy, industry, trade union and Department of Industry representatives at the meeting of NEDC Council members were united in opposing a more critical attitude towards mergers.

They also suggested that legislation against some restrictive trade practices should be relaxed rather than tightened in the national interest.

The meeting, which was chaired by Mr Denis Healey, Chancellor of the Exchequer, examined the proposals issued in a Green Paper in May in the light of the industrial strategy.

Presenting the recommendations, which are the first stage of a comprehensive review of competition policy, Mr Roy Hattersley, Secretary of State for Prices and Consumer Protection, maintained that the industrial strategy and competition policy are generally complementary.

He stressed that no decisions would be taken on the changes suggested in the report until consultations had been completed.

While welcoming the proposals as a basis for discussion, the CBI, which was represented at the meeting by Sir John Methven, the director general, and which is due to submit formal representations to the Department of Prices later this month, made several sharp criticisms.

One of these is that the recommendations are based on an analysis which extends only up until 1972 and does not take into account significant economic changes or the increase in import penetration, which has taken place since then.

The CBI also pointed out that the comparisons of post-merger profitability do not take into account what would have happened had the mergers not taken place.

"It is easy to show the limitations of mergers but not easy to demonstrate the benefits," Sir John told the meeting. Furthermore, larger industrial concerns tend to make bigger investments in research and development.

On the proposed amalgamation with the Monopolies and Mergers Commission, the CBI's view as expressed by Sir John is that "The Price Commission would be irrelevant if the Monopolies Commission did its job properly."

Speaking for the TUC, Mr Len Murray, the general secretary, also criticized the Green Paper recommendations on the grounds that they discouraged co-operative planning.

The Department of Industry representatives pointed out that British companies were in general smaller than their foreign competitors, and that high import penetration was one of the problems consistently identified by the NEDC Sector Working Parties.

Of even greater concern than the recommendations on mergers and monopolies is the possibility of a stricter clampdown on restrictive trade practices—the subject of the second stage of the overall review.

Mr Geoffrey Chandler, general secretary of the legislation already inhibited potentially beneficial cooperation between companies.

Types of collective agreements identified as potentially helpful to industry sectors but liable for scrutiny under the legislation involve agreements to pool patents or exchange licences. Others could include agreements between manufacturers and users. Furthermore, although agreements concerned exclusively with exports are exempt from registration as restrictive practices, those dealing with import substitution are not, though they may have equal value for the balance of payments.

Beneficial pacts curbed, page 22.

Pension funds urged to abstain from voting
in favour of controversial Barclay's deal

By Andrew Goodrick-Clarke
Financial Editor

Barclays Bank came under criticism from the pension funds yesterday over its controversial scheme to buy the Investment Trust Corporation for shares and then sell it immediately to the Post Office Pension Fund for £85m in cash.

An ad hoc committee of the National Association of Pension Funds (NAPF) set up when Barclays announced its plans last month has concluded that the "method used by Barclays to issue equity capital is wrong in principle."

The committee felt that, where shares were being offered for cash at a discount to the market price, they should be offered to existing shareholders. It considered that many institutional shareholders would have been prepared to add to their holdings in Barclays on rights issue terms.

However, the pension funds have had to admit that the technical position of Barclays' shares in the market since the scheme was announced has undermined their argument in this case. Barclays' shares stood at 355p, but have fallen to 303p, with the bank's share price above the 300p at which institutions, includ-

ing pension funds, have agreed to underwrite the offer.

The committee does not recommend outright opposition to the deal, which will have to be approved by shareholders at an extraordinary meeting next Wednesday.

Instead, pension funds, who—apart from the Post Office which stood aside from this debate—probably own around 9 per cent of the Barclays' ordinary capital, are advised to abstain from voting in favour of the scheme.

The committee has suggested that in view of the "important principle at stake" the funds should consider carefully whether to vote against the resolution next Wednesday.

Mr Derek Weyer, a vice-chairman of Barclays, said yesterday that the bank had always been aware of the dilution principle. On this occasion it felt that the ITC scheme was in the interest of all shareholders, although the bank had probably lent towards favouring the issue of small holders. Some 40 per cent of the Barclays' equity is held by 125,000 private individuals.

Mr Weyer said: "The pension funds' letter doesn't worry me, although I would have liked to have discussed the letter before it went out. It might have been handled differently."

Apparently, Mr Weyer met the pension funds' representatives on Tuesday evening to discuss their conclusions, but by that time the statement had already been posted to the press.

Mr Fred Davies, secretary of the Post Office Pension Fund, said: "We are not entirely surprised by the NAPF statement and not unduly disturbed either. This is the view of a sub-committee of the NAPF which members will bear in mind, and it doesn't necessarily mean that all pension funds will abide by what is recommended."

"We are certainly not losing any sleep over it, particularly as shareholders can now go into the market to redress any balance, should they wish, because of the present Barclays' share price."

A spokesman for the National Coal Board Pension Fund, one of the opponents of the scheme, said: "We believe the scheme is misconceived. We don't want to knock Barclays—they are a well-managed company—but this scheme looks artificial and it seems to come up with a premium that will be fine, but on proposals such as this one we think there is an important principle at stake."

Financial Editor, page 23

Hopes remain for a united Community front at Bonn
Bremen meeting opens today with
talks on currency and growth

From Michael Hornsby
Brussels, July 5

Schemes for promoting greater currency stability in Europe, and the link between the coordination of exchange rate policies and faster economic growth, will be the focus of discussion when EEC heads of government open their meeting in Bremen tomorrow.

Herr Helmut Schmidt, the West German Chancellor, and President Valéry Giscard d'Estaing of France, are also expected to take advantage of the occasion to impress on Mr James Callaghan how much they would like to see Britain opt for cooperation with Western Europe rather than the United States in the development of a new generation of short-to-medium-range airliners for the 1980s.

In a calculated gamble, Herr Schmidt deliberately scheduled the Bremen meeting to take place 10 days before the world economic summit in Bonn, at which he will once again be playing the combined role of host and chairman.

Herr Schmidt's hope is that the four EEC countries which will be present in Bremen—France, Germany, Italy and the Netherlands—will be able to confront their leading trading partners—the United States, Japan and Canada—with a united and persuasive Community position.

Disarray in Bremen, on the other hand, would severely jeopardize a Bonn agreement on a broad economic, trade and energy strategy.

Despite some narrowing of differences between Britain and Germany on how best to realize the universally desired goal of higher growth and more jobs, significant divergences of philosophy remain.

Uncertain footing:
Currency snakes and
ladders, page 23

and officials have been warning journalists against expecting too much from Bremen.

The assumption appears to be that by lowering expectations in advance, the expectation at Bremen of no more than a generally-phrased statement of intent, covering among other things the central and counter-issues of monetary co-operation, could plausibly be presented as triumphal progress.

Herr Schmidt, for one, will be reluctant to reveal too much of his hand at Bremen—particularly concerning any plans he may have for further stimulating the German economy by the end of the year.

He has a clear promise from President Carter of action to reduce the dollar by America's huge energy imports.

This reluctance, will, in turn, add to Herr Schmidt's difficulties in persuading Mr Callaghan that British cooperation in a new currency stabilization scheme would give a significant boost to the present low level of world economic growth.

Any idea of adopting formal growth targets for individual countries, or even for the EEC as a whole, appears to be fading fast. But Mr Callaghan will still press for endorsement of the need for action to boost growth rates on average by 1½ to 2 per cent in the next five years.

David Cross writes from Washington: Mr Robert Strauss, President Carter's special trade representative, said today he was disappointed that mere progress had not been made on the

agricultural part of the proposed General Agreement on Tariffs and Trade multilateral trade pact in time for the economic summit in Bonn later this month.

This partial failure means that the original mid-July deadline set by the United States, the European Community and Japan to reach political decisions on all outstanding problems in the negotiations would almost certainly not be met, he said. But would be "80 per cent of the way home" in laying down political guidelines for the negotiators by the end of the Bonn summit, he predicted.

The agricultural negotiations were stalled on two major points—adequate access for a number of American products and a subsidies code to protect the American market from export competition.

Caroline Atkinson writes: The dollar picked up some of the ground lost on Tuesday in foreign exchange markets, but it was held up partly by official intervention and underlying fears of weakness remain. The Bank of Japan again kept the yen from going to the 200 to the dollar mark, and it subsequently fell back with profit-taking in London to close at 201.5.

The dollar's effective depreciation against the Swiss franc now reached -7.8 per cent. Dealers have scaled down their hopes for a currency agreement at Bremen, and this helped the dollar.

Sterling stayed on the sidelines, losing 45 points against the dollar to close at \$1.87. The pound's effective exchange rate index dropped 0.1 early in the day but came back to close at 61.4, the same level as on Tuesday.

Both ministers have already made it clear to Chrysler that continued state aid under the 1972 rescue package agreed 21 years ago was dependent on its complying with the Government's pay policy.

However, Mr Duffy believes that Chrysler toolmakers have a special case.

The joint approach decision was not sufficient to persuade the toolmakers' shop stewards to call off the strike which closed the Ryton assembly plant and made 2,000 other workers idle at Ryton and Stoke.

But they did agree to call a mass meeting as soon as the result of the talks with ministers was known.

Swan Hunter agrees to accept £15m for
nationalization of its shipyard assets

By Richard Allen

Swan Hunter yesterday became the first group to agree full compensation terms with the Government for United Kingdom shipbuilding assets nationalized last year. Swan is to receive £15m, representing 81.6 per cent of the value of the assets above the latest stated asset value and at the top end of City estimates.

The agreement could eventually lead to a cash hand-out to shareholders of as much as £140m a share. Before the announcement yesterday the group's shares were suspended at 129p.

The compensation terms may cause controversy. Only this week Mr Eric Varley, the Secretary of State for Industry, revealed that the state-owned British Shipbuilders, was expected to lose £45m in its present financial year.

Swan Hunter's former northeast shipyard interests represent more than a fifth of the assets of British Shipbuilders and, in the last two years they were

controlled by Swan, made profits of only just over £1m.

The £15m payable includes the £2.35m "interim" payment received by Swan Hunter in February, and the total sum received will be further reduced by the repayment of loans from the vesting subsidiaries to the parent company.

The total amount of these debts outstanding is £3.7m after taking into account the payment of £2.25m to British Shipbuilders last August.

The agreement follows some bitter wrangling between the Government and the leading companies affected by aircraft and shipbuilding nationalization over delays in negotiations on compensation terms.

Swan Hunter's shares are expected to be re-listed today and the company is to make an announcement about its future plans.

Peter Hill writes: British Shipbuilders has rejected an approach from the Tyneside company of Smiths Shipre-

pairers (North Shields), part of the Swan Hunter group.

The company, which remained outside the state corporation's activities at the time of nationalization last July, has followed a fiercely independent course since then. It recorded a loss of £1m in the last financial year.

Informal approaches have been made jointly to BS by the company and the Confederation of Shipbuilding and Engineering Unions with Mr John Chalmers, secretary of the Bolleymakers' Society playing a major role in the talks.

But BS, which has considerable problems with other loss-making repair and shipbuilding activities has indicated that it is not interested.

Mr Adrian Hunter, chief executive of the company, said last night: "Our intention is to stay in business and to employ as many people as possible. There is no immediate threat of redundancy."

Financial Editor, page 23

McDonnell
Douglas
backed by
BA team

By Arthur Reed
Air Correspondent

A team from the flight operations department of British Airways have told the management of the airline that the McDonnell Douglas advanced technology medium range (ATMR) airliner "appears to be a better proposition" than the Boeing 737, the project which is favoured by the management.

Their view is based on visits which they paid recently to Boeing in Seattle, and McDonnell Douglas in Los Angeles, where they were shown progress on the new airliner designs of both leading American aerospace companies.

The particular interest of the team was in the evaluation of the proposed flight decks and systems, but the strong favour which they found in the McDonnell Douglas proposal over that of Boeing could have a significant bearing on which new airliner British Airways eventually buy.

In their report the British Airways team say: "The Boeing attitude gave a general impression of over-confidence bordering on complacency, as if there was really no alternative to the product they were offering. Their presentations were haphazard and lacked coherence."

McDonnell Douglas, on the other hand, pulled out all the stops to give us the best presentation they could in the limited time available. All their systems experts were lined up and waiting, and the presentations were succinct and to the point. A test pilot was present for the whole of the time.

"McDonnell Douglas could truly claim to be designing an aircraft with features appropriate to the operating environment of the 1980s and the 1990s."

Whilst it is true that both manufacturers are taking advantage of the advanced technology now available, McDonnell Douglas are designing in other attractive features which pilots would greatly appreciate.

"No doubt these features must be paid for, but their advantages should be very carefully examined, not only on a cost-effective basis (some could be justified on that basis alone) but as real innovative improvements."

The British Government have to decide in the near future whether British Aerospace should continue with Boeing, McDonnell Douglas, or France and West Germany to build a new 160 to 180-seater, medium-range airliner. The European project, competing with the 757 and the ATMR, is the JET 2.

In the McDonnell Douglas proposals, the ATMR would use Rolls-Royce RB 211-535 engines, and the airframe would be designed and built roughly one third in America, one third in Britain, and one third in Europe, where there have already been tentative negotiations with the aircraft industries of Italy, Spain and Sweden.

DEWHURST DENT LIMITED
UNAUDITED
INTERIM STATEMENT

The following are the unaudited trading results of the Group for the half year ended 19th January, 1978—

	Half-year ended 19th January, 1978	Half-year ended 19th January, 1977
Group Turnover	9,284,054	9,418,684
Trading Profit	386,022	642,052
Deduct: Depreciation	193,125	189,565
Profit before Taxation	202,896	452,486

As forecast the result of the Textile division was unsatisfactory, but the Glove division was able to maintain its results. Losses, however, continued to be sustained in overseas operations which contributed to the lower profits.

The Board are of the opinion that the results of the second six months will be better than those for the same period last year.

The Board does not recommend the payment of an interim dividend but will recommend a final dividend when the results of the full year are available.

N. Khazam
Chairman

FRANCIS SUMNER
(HOLDINGS) LIMITED

Highlights from the Chairman's Statement

- * Net profit before taxation and extraordinary items for the year ended 31st December, 1977 £790,553 on sales to third parties £16,871,543.
- * Total dividend 78p for the year—maximum allowed under the present government regulations.
- * Scrip issue of one Ordinary share for every 10 Ordinary shares held.
- * Surplus on disposal of Lloyds British £869,000 included in extraordinary items of £880,154.
- * Stronger financial base allows greater flexibility in developing plans.
- * Directors look forward with confidence to a successful year.

PLASTICS — ENGINEERING — TEXTILES

BARR AND
WALLACE ARNOLD
TRUST LIMITED

Record Pre-Tax Profits 45% better
than previous year
Prospects are for another good
result in 1978.

Summary of Results

	1977	1976
Sales external	47,589,000	39,309,000
Profit before tax	1,595,282	1,102,269
Earnings per 25p Ord. Share	1,135,930	874,862
Dividend per 25p Ord. Share	28.80p	22.18p
Dividend Cover	3.7165p	3.3768p
% return on capital employed	8.06p	6.26p
Net tangible assets per Ord. Share	-157.8p	95.4p

	1977	1976
Holidays Division	834,019	754,969
Motor Division	582,812	278,870
Computer Bureau Division	304,585	238,406

	1977	1976
Parent Company Expenses	1,721,416	1,272,245
	126,134	169,976
	1,595,282	1,102,269

Copies of the Report and Accounts may be obtained from:
The Secretary, Barr & Wallace Arnold Trust Ltd.,
21 The Cells, Leeds LS2 7ER.

How the markets moved

The Times Index: 159.44 — 0.46
The FT index: 452.0 — 1.1

THE POUND

	Bank buys	Bank sells
Australia \$	1.69	1.63
Austria Sch	29.25	27.25
Belgium Fr	62.75	60.25
Canada C\$	1.11	1.08
Denmark Kr	10.92	10.42
Finland Mk	8.15	7.80
France Fr	8.60	8.20
Germany M	4.00	3.78
Greece Dr	70.00	66.00
Hongkong \$	8.95	8.50
Italy L	1620.00	1525.00
Japan Yn	400.90	375.00
Netherlands Gld	4.30	4.07
Norway Kr	10.41	9.96
Portugal Esc	86.00	81.00
S Africa Rd	2.07	1.94
Spain Pes	149.75	142.75
Sweden Kr	8.62	8.42
Switzerland Fr	3.55	3.33
US \$	1.92	1.86
Yugoslavia Dnr	35.50	33.50

Notes for small denomination bank notes only as supplied yesterday by the Bank of England. Different rates apply to travellers' cheques and other foreign currency business.

Equities have late rally. edged securities mixed. Dollar premium 112.875 per cent (effective rate 53.22 per cent). Sterling lost 45 points to \$1.8700. The effective exchange rate index was at 61.4.

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Neddy chief calls for guidelines on allowing some collaboration between companies

Beneficial pacts 'being curbed by Whitehall'

By Maurice Corina
Industrial Editor

Collaboration between companies, which is seen as necessary under the Government's industrial strategy, is being curbed by Whitehall controls on monopolies, mergers and restrictive trade practices, according to criticisms contained in a memorandum placed before yesterday's National Economic Development Council.

It has been drafted by Mr Geoffrey Chandler, the new director general of the Neddy organization, as an independent contribution to the Government's present review of competition policy.

Mr Chandler's memorandum can be expected to cause some controversy in business circles as well as among trade unions.

He claims that the new Price Commission's investigation work on pricing and management practices "can help to improve industrial performance", but the relationship of that body with the Monopolies and Mergers Commission ought to be made more clear.

At the same time he levels some criticisms at the Government's recent Green Paper reviewing competition policy, for advocating a harder line towards company mergers when the evidence upon which the government document relied was "not sufficient to justify this".

Mr Chandler argues that the present judicial system of registration and investigation of restrictive agreements among companies may have discouraged them from bringing forward pacts even when they might have been in the national interest. It would be helpful, he says, if the Government were to publish guidelines explaining to industry the scope and application of a rarely-used gateway for exempting certain agreements from investigation.

For agreements which relate to specialization among small and medium-sized companies, or to specifications of standards, there is what he describes as a strong positive case for formal exemption from competition law.

The Government ought to define the kinds of cooperation it was actively seeking to promote among small companies, and legislate formal exemption for such agreements.

Mr Chandler argues that there is no a priori case for more competition. Nor could the absence of competitive discipline be regarded with equanimity. The job of competition policy was to strike a balance between the advantages of competition on one side and those of scale and the reduction in wasteful rivalry and corporate uncertainty on the other.

Genuine monopolists, the memorandum states, were rare. Furthermore a power to exploit customers was limited by the countervailing power of customers. There was also the possibility that new market entrants attracted by high profits might break the monopoly.

This did not lessen the importance of policies preventing abuses, acting on market shares, encouraging fragmentation of suppliers and discouraging collusion.

"However, a policy of this kind is not without its costs", Mr Chandler claims. "There are, for instance, advantages of scale that are forgone by policies that limit the size of firms and that may also restrict sometimes the size of plants."

Economies of scale might be achieved through cooperation of small decision units, and inter-company cooperation in such areas as production standards, technical information, joint marketing, research and specializing in different lines of production.

Exchanges of information on investment plans, especially in industries with large indivisible plants, might, by promoting confidence about returns, result in large investment programmes, greater productivity, and a closer relationship to demand than otherwise would be the case.

After reviewing development of post-war policies, Mr Chandler goes on to say that increasing awareness of economies of scale, the progressive exposure of Britain to international competition, substantial structural unemployment, and the weaker

associated with increasing concentration, at least in terms of profitability.

The fourth reason was the increasing incidence of large companies—especially conglomerates—which ensured that few companies could be certain that their markets would not be invaded by powerful competitors.

Examining mergers, Mr Chandler says some might actually increase the degree of competition by bringing together fragmented industries too fragmented to compete internationally. The fact that the stock market acted to set a low price for companies believed to be managed inefficiently, helped to reallocate resources from the less to the more efficient and improved vulnerable companies to raise efficiency.

Mergers could only be judged on a case-by-case basis. There was probably some scope for an increase in the examination of mergers, and a case for a review of the Mergers Panel's setting of criteria, including clarification of referral criteria by the publication of reasons for any recommendation. This would make the Monopolies and Mergers Commission less of a lottery.

Dealing with restrictive practices, the director general states that experience of the industrial strategy suggests that companies are still inhibited by fear of long and costly litigation from formulating agreements, even those which appear to be in line with industrial strategy objectives.

He cites a separate paper prepared by Mr Alan Hughes, the Cambridge economist, showing examples of cooperative action which were likely to make registrable agreements subject to court investigations.

The balance of advantage between competition and cooperation was not always clear. But the object of registration and investigation would be achieved only if the procedure did not itself discourage the bringing forward of schemes. Here government guidelines for exemption would be helpful.

Another reason was that the power of large suppliers was being offset by the growing countervailing power of their customers. There was also no evidence of increasing exploitation



Mr Geoffrey Chandler: seeking a balance.

prospective growth of demand "open the question whether competition policy needs now to be revised".

There had been conflicts between industrial policy (involving collaboration of the Neddy type and mergers of the former Industrial Reorganisation Corporation), and competition policy concerned with market power.

Mr Chandler gives four reasons why concern about the development of monopoly power seemed "misplaced". Standard measures of concentration were unreliable indicators of the degree of monopoly power because they ignored the effects of imports and exports, as well as powerful overseas competitors who faced large United Kingdom consumers.

Another reason was that the power of large suppliers was being offset by the growing countervailing power of their customers. There was also no evidence of increasing exploitation

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Examining mergers, Mr Chandler says some might actually increase the degree of competition by bringing together fragmented industries too fragmented to compete internationally. The fact that the stock market acted to set a low price for companies believed to be managed inefficiently, helped to reallocate resources from the less to the more efficient and improved vulnerable companies to raise efficiency.

Mergers could only be judged on a case-by-case basis. There was probably some scope for an increase in the examination of mergers, and a case for a review of the Mergers Panel's setting of criteria, including clarification of referral criteria by the publication of reasons for any recommendation. This would make the Monopolies and Mergers Commission less of a lottery.

Dealing with restrictive practices, the director general states that experience of the industrial strategy suggests that companies are still inhibited by fear of long and costly litigation from formulating agreements, even those which appear to be in line with industrial strategy objectives.

He cites a separate paper prepared by Mr Alan Hughes, the Cambridge economist, showing examples of cooperative action which were likely to make registrable agreements subject to court investigations.

The balance of advantage between competition and cooperation was not always clear. But the object of registration and investigation would be achieved only if the procedure did not itself discourage the bringing forward of schemes. Here government guidelines for exemption would be helpful.

Another reason was that the power of large suppliers was being offset by the growing countervailing power of their customers. There was also no evidence of increasing exploitation

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LETTERS TO THE EDITOR

Ensuring a supply of building land

From Mr Geoffrey McLean

Sir, Mr Dunn suggests (June 27) that present land policies do not give enough incentive either to private land owners or to local authorities to bring land on to the market. Recent steep increases in land prices do indeed suggest that the situation needs review.

Research currently going on in the Manchester area, and soon to be followed in other areas, will throw more light on how serious the land scarcity is.

Ideally politicians should keep their options open until more facts are known; they will then be in a better position to select the solutions which will do the most good.

There are three main courses — two for politicians and others to consider. First, to amend the Community Land Act so as to give more money to the individual local authorities concerned and less to the Treasury. Secondly, to leave Development Land Tax at 60 per cent or reduce it to 50 per cent. Thirdly, to substitute instead of these measures an arrangement which would give land owners a real incentive to sell. All land once zoned for housing would be taxed at increased

annual rates until sold to registered builders or developers who would be exempt for a period. After this they would have to pay a tax on the value of the land, or pay tax. A similar system works well in parts of the United States.

None of these solutions is wholly free from objections. The Community Land Act involves clumsy compulsory purchase powers, which some authorities are loath to use. Reducing Development Land Tax could be thought by some to leave the land owner with too much money. Annual taxes on undeveloped land could be difficult to administer.

Whatever solution is adopted, this council, which seeks to safeguard the consumer, would like to see some of the taxes raised used directly to benefit those who buy newly built houses and who thus enable high taxes to be collected from housing land. Currently, they are a forgotten army.

Yours sincerely,
GEOFFREY MCLEAN,
Chairman,
Standard Committee,
National House-building Council,
58 Portland Place,
London, W1N 4BU,
June 30.

Tax treaty balance of advantage

From Mr J. A. Newman

Sir, Your leading article (June 29) regarding the United Kingdom-United States Tax Treaty deals admirably with the question of unitary taxation by the States of the Union. However, I feel two more points should be made. Firstly, the balance of advantage is heavily weighted under the new treaty in favour of the United States. A substantial amount (under United States Treasury figures) of tax estimated to be in the region of \$400m is repayable in respect of dividends paid by United Kingdom companies to United States investors. Only a very small amount is repayable to the United Kingdom.

The advantage is on the other side of the Atlantic and in renegotiating the treaty I believe that the dividend clause should be amended by the United Kingdom negotiators to prevent this repayment and reduce United States withholding taxes.

Secondly, schemes are in regular use by which a United States-owned United Kingdom company with a very low capital may acquire United Kingdom assets and shares with overseas debt. The interest cost on the debt is then offset for tax purposes against the profits of the purchased subsidiary. Thus profits of United Kingdom business acquired by United States companies are being transferred to the United States.

It is about time the treaty was renegotiated to include clauses to prevent such schemes.

Yours faithfully,
J. A. NEWMAN,
21 Mincing Lane,
London, EC3R 7PT.

From Mr R. W. Mans
Sir, Your contention that the British Government should

Attitudes to women

From Mrs Ruth Deech
Sir, The government proposals to give married women a certain measure of independent standing in relation to taxation are to be welcomed and it is to be hoped that the campaign of the Equal Opportunities Commission to end the aggregation of the wife's income with that of her husband will also ultimately be successful.

This recognition of the economic rights of married women and the fact that most of them work contrasts markedly with the premises underlying the proposals of the Law Commission, published earlier this month, to merge the individual property rights of husbands and

accept the draft Anglo-American double taxation agreement, as mutilated by the United States Senate, overlooks the question of Britain's international standing.

We enter into very many treaties with other countries covering a wide range of matters and the executive presumably negotiates such agreements on the basis that what they recommend the British Government to adopt is fair to both parties. It will surely be very damaging to this country's standing to give other countries the impression that we do not mind them negotiating agreements with us and then unilaterally altering the negotiated draft prior to ratification to make the agreement less favourable to the United Kingdom.

As Article 9(4), which the United States Senate has deleted, is wholly favourable to the United States, a more sensible and more equitable approach on the part of the British Government would be to delete, as our proposal would, the provision which is wholly favourable to Britain. Fortunately there is such a provision in the proposed treaty—Article 17—which is designed to allow the United States Government to collect tax on the substantial United States earnings of United Kingdom enterprises instead of leaving the British Government to do so as under the 1946 treaty.

Ratification of the draft treaty, subject to the deletion of both Articles 9(4) and Article 17, would leave both the major parts of the treaty, which is obviously needed in some form or another—and Britain's standing, intact.

Yours faithfully,
R. W. MAAS,
6th Floor,
40/42 Oxford Street,
London W1N 9JL.

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Attitudes to women

BNOC's oil discovery achievement

From Mr J. D. A. Evans

Sir, Mr Singleman's letter ("BNOC's Oil Accolade", June 5) is wrong. He alleges that BNOC elected for the operation of Block 30/17b, where recent discovery has been made on the basis of information submitted by Shell and Esso confidence to the Department of Energy and passed on to BNOC. That is simply not true. Such information is kept confidential by the department and not passed to BNOC. It was, in fact, in the summer of 1977 that Block 30/17b was identified as a good prospect.

BNOC's exploration department is on its own extensive information, acquired commercially, then from its own expert technical analysis. This information was made without knowledge of the Fulmar discovery on 30/17b. Mr Singleman's letter was kept very secret. It was the basis of its own assessment that BNOC opted for operation of the block.

As far as BNOC is concerned, its relationship with Shell Esso in work on the Uni Kingdom Continental Shelf, fruitful and constructive, the companies deserve immense credit for what they have achieved and we are the strongest in the saying, do not see why others should feel obliged to belittle their achievements.

There have been a number of unsubstantiated and unfounded allegations and innuendoes levelled at the company in recent months and it is not general policy to respond to such comments. But on occasion I would be grateful by publishing this letter, can help us out this matter record straight, as it affects professional integrity of BNOC staff.

Yours faithfully,
J. D. A. EVANS,
A Managing Director,
The British National Oil Corporation,
Stornoway House,
Cleveland Road,
St James's, London SW1A 1

Psychiatric assessment of directors

From Dr J. M. Smith
Sir, When David Yeor ("Business News", June 5) suggests that psychiatric assessments could work as a means of assessing directorial skills, is, presumably, thinking of occupational centres where directors would spend several days completing psychological tests and undergoing reality assignments such as "in-tr exercises. Their performance would be assessed against established criteria by a team of occupational psychologists experienced directors.

Assessment centres pioneered by the War Office Civil Service, IBM, AT and Standard Oil. Current they are used by many major companies. However, their success depends on proper preparation and follow-up experienced personnel who are not readily available many companies.

Perhaps the British Institute of Management or the Institute of Directors could devise pilot schemes which would give their members experience the advantages and disadvantages of assessment centres. Yours faithfully,
J. M. SMITH,
Head Secretary,
Division of Occupational Psychology of the British Psychological Society,
c/o Department of Management Sciences,
University of Manchester,
Institute of Science and Technology,
Manchester, M60 1QD.

Deterring safe breakers

From Mr J. W. Jarvis
Sir, I read with interest J. Pagan's letter (June 2) having gained entry to the house through its back entrance, age: probably some 90 to 1 years. With due respect to the most fortunate it wasn't being good as a fire resistor binder.

One French safe manufacturer I believe, introduced a substance that turns a gas cutter's black. However, one must be careful or it may become a matter for the relations authorities. Yours faithfully,
J. W. JARVIS,
Marriotts,
Pyrford, Surrey.

Record of the UK insurance market

From Mr C. F. Owens
Sir, I must take issue with British Leyland's insurance manager. In my experience the British insurance market has always been prepared to offer protection against commercial risks, albeit at rates and on conditions which they hope will show them a profit.

It is unfair for British Leyland's insurance manager to criticize the United Kingdom insurance company market; if he checks the problems faced by British Leyland in 1969 in arranging fire insurance for the group, he will find that without the major British companies' support British Leyland would have been unprotected. I was involved in so far as the leading insurers of America to place as much cover as I could. After contacting some 50 insurance companies, I succeeded in obtaining only 4 per cent.

The main reason for refusal was solvency margins in the American market at that time. Without the British companies' support British Leyland would have been exposed to bankruptcy from fire damage, and the loss of profits arising therefrom.

With regard to the problem of product liability, due to the modern practice of consumer protection insurers are being asked to forecast a situation in terms of cost and liabilities that will arise in 10 to 20 years. A difficult crystal ball operation, without inflation, but with it, a prudent insurer can only see "a pocket with a big hole".

A historical precedent could be "shipowners' liability some hundred years ago, when the leading maritime nations produced legislation limiting liability to third parties, as otherwise shipowners would have found the cost of protecting themselves prohibitive. Similarly, aircraft operators have

partial protection from the "Warsaw Pact". To further international trade, perhaps some similar legislation could have been enacted in respect of products liability.

A final word of warning to British Leyland's insurance manager, and others of the American insurance market has a history certainly in my 30 years' experience, of withdrawing from markets when losses start piling up and the underwriting is from unsatisfactory accounts. A particular class of business, but from that class completely. Has not American folklore given us the expression "Take to the hills"? The old saw "History repeats itself" is particularly true of the insurance business, and in my opinion will prove to be so in the next two or three years.

Yours faithfully,
C. F. OWENS,
19 Wilton Place,
London, SW1.

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Credit help for smaller export deals

By Bryan Appleyard

Smaller export deals are to be drawn into the Export Credit Guarantee Department's foreign currency financing service by a new form of bank guarantee announced yesterday.

Following informal approaches to the clearing banks in April the ECGD has announced the Foreign Currency Specific Bank Credit Facility to enable export contracts on a supplier credit basis to be financed in foreign currency.

Until now exporters financing important contracts in foreign currencies with ECGD backing have been restricted to buyer credit deals. Supplier credits involve credit extended by the exporter to his overseas buyer, whereas buyer credit involves loans from British banks to overseas borrowers to buy from the United Kingdom.

The new facility was announced in the Commons yesterday by Mr Edmund Dell, the Secretary of State for Trade.

The original buyer credits scheme was introduced at the end of 1976 and has covered bigger contracts though they account for only about 10 per cent of all ECGD deals.

Supplier credits tend to be smaller in value and more numerous, but the new scheme will be available only for "one-off" British export contracts with credit terms of two years or more in either Deutsche marks, or dollars.

As with buyer credits, the ECGD will undertake to continue funding a loan if the lending bank cannot raise enough on the Euromarket.

Britain 'almost bottom of productivity league'

Workers in British manufacturing on average produce only about half as much in value terms as their opposite numbers in West Germany and have little more than 40 per cent of the productivity of an industrial worker in the United States, according to a study published yesterday by Dresdner Bank AG, of Frankfurt.

In its mid-year economic report, the bank has drawn up a league table of productivity, labour costs, and labour costs per unit of production for the average worker in the 10 leading non-communist industrial countries.

The resulting indices, which are based on the West German worker equalling 100, put Britain near the bottom in terms of productivity with a reading of 42. Only Italy is lower, with an index of 31, while the United States tops the table at 124.

Japan is eighth in the productivity table, with an index of only 76, behind, in ascending order of merit, France, Sweden, Austria, Switzerland, West Germany, The Netherlands and the United States.

The explanation for this surprisingly low figure is that the very high productivity of a number of large Japanese companies is offset by a generally low level of productivity in small companies.

The study concludes that low productivity levels are usually matched by low readings on their index for labour costs, helping to restore international competitiveness.

Therefore, Britain has the lowest reading, of 43, on the labour index, so that on an index of labour costs per unit of production it comes out at 83, level with France and Austria and lower than Japan.

Italy is an exception. Its comparatively high labour costs (59

on the bank's index) combine with poor productivity to put the index per unit of production at 114—second only to Sweden's index of 127.

The bank's study suggests that American industry enjoys a significant competitive advantage, in terms of labour costs, compared with Japan and Europe. Although the American worker is a fifth more productive than his German colleague, he costs his employer about 10 per cent less.

Peter Norman
in Bonn

EEC criticized over aid to developing countries in study by Catholic group

By Melvyn Westlake

A forceful attack on the European Community's aid and trade policies towards the developing countries is made this morning, as the EEC prepares for a new round of negotiations with the Third World aimed at establishing a new relationship for the 1980s.

Criticism of the Community comes in a study of the first Lomé Convention, signed in February, 1975, between the nine European nations and 46 countries in Africa, the Caribbean and the Pacific (later increased from 46 to 53 countries).

Ministers from all the participants will meet later this month in Brussels to open negotiations for a new Lomé agreement, to replace the existing one which expires early in 1980.

The study, published today by the Catholic Institute for

International Relations, urges the EEC to make radical changes in its trade regime, which has an adverse impact on developing countries, as well as in the way that it administers its aid funds.

One of the main recommendations is for a big improvement in the so-called "Stabex" scheme under which

BY THE FINANCIAL EDITOR

The right point on the wrong issue

No one, let alone Barclays, disputes that the pension funds have debated an important point in questioning whether companies should give priority to a rights issue when raising new equity capital. The point is that they have chosen the wrong moment and the wrong situation in which to make their point. Barclays' scheme under which it bought the Investment Trust Corporation for shares and then passed it on to the Post Office Pension for £85m in cash, shouldering a discount of around 10 per cent in the process, suits the company's purposes at the moment.

Moreover, since Barclays may have had to accept a discount of up to 20 per cent if it had attempted a rights issue and risked heavy pressure on its share price in a weak market, it was felt that this would suit the purposes of the majority of shareholders, of whom some 40 per cent in the case of the bank are non-institutional. Banks, as we have said before, are clearly going to be capital hungry institutions in the foreseeable future.

It is not beyond the bounds of possibility that Barclays itself will need to seek rights issue money within the next two or three years if it is to maintain the growth pattern it has set itself and remain competitive.

So it was surely sensible when the opportunity of the ITC deal presented itself to take it—the argument being that the interest of shareholders and the company will coincide exactly in the course of time. As such Barclays can afford to take a relaxed view of the current furore caused by the pension funds' statement, but at the same time no one should ignore the principal which is being aired.

The investment trust sector has proved far more anxious over the past year for pension funds anxious to find a home for their huge cash resources and indeed for a few companies wanting to raise new money through an unconventional source. What the pension funds are really saying is that in future they would take a serious view of companies seeking to avoid the rights of shareholders, though Barclays, and indeed those at Samuel Montagu who dreamt up the ITC scheme for the Post Office, would say that shareholders have the opportunity to say no at an extraordinary meeting as do Barclays' shareholders next week. The trouble is that shareholders only take life seriously when they are being asked for money.

Swan Hunter Compensation sums

Total compensation of £15m for Swan Hunter's nationalized shipbuilding interests is fractionally above latest stated asset value and towards the top end of City estimates. But the key point is that this amount has been agreed using the 1974 "reference period" yardstick and therefore does not necessarily provide a useful pointer to the outcome of the Government's negotiations with other companies, like Vickers and Hawker Siddeley. Unlike Swan whose operations had been under considerable strain these groups will be able to argue that post-1974 performance should be taken into account.

For Swan itself, however, the agreement clears the way for a long-promised restructuring, involving liquidation of the parent group, a cash distribution and the floating off of a new company containing the remaining shipbuilding and engineering interests. Swan has so far given no indication of the size of the eventual distribution but shareholders should be able to look forward to something approaching 140p a share compared with yesterday's suspension price of 129p.

The market price reflects doubts about how much cash Swan is prepared to use shoring up its remaining ship-repairing interests, which are currently losing money at the rate of over £1m a year. However, if he compensation cash and other accruals are added to the £21m cash mountain contained in Swan's last balance sheet, liquid assets emerge at over 170p a share out of total assets of only 214p.

Whatever the current trends in ship-repairing Swan will have a hard task persuading shareholders that the new company with assets of 44p should be provided with

funds amounting to more than 30p a share. Given that the market would be unlikely to place a value of much more than 25p a share on a company starting out as a loss-maker the theoretical value of Swan Hunter's shares is still approaching 170p.

Meanwhile, being at the top end of estimates, the compensation terms should at least remove some of the fears about possibly "derisory" payments being offered to other companies.

Finance for Industry

ICFC makes the running

Finance for Industry is not moving at all in the direction that seemed likely almost four years ago when it was revamped with a view to becoming a key source of medium-term loan finance for industry. FFI has been sitting on almost limitless resources, but a combination of high corporate liquidity, low industrial investment and an aggressive thrust into medium-term lending by the clearing banks has meant that demand has been meagre in the extreme. Last year, for instance, FFI lent only £40m compared to £66m the year before, and margins have been under pressure since competition has meant a piling in lending spreads from around 2½ to 1½ per cent.

It has thus been left to the traditional ICFC side of the business to make the running, most particularly at the profit level. Sales of equity and property investments accounted for £10.9m or half of the £22m profit, compared to £4.3m of the preceding year's £11.6m, and ICFC's new investments were doubled at £50m. Applications from small companies are running at record levels, and a further rise is likely this year.

Most striking of all about FFI, however, is that, just as the banks have been moving into its medium-term lending territory it has been making a strong push in areas like leasing and hire purchase, which together accounted for £48m of commitments, well over double the level of the previous year. This year, moreover, FFI should be powerfully placed to counter attack in the field of medium-term lending. If the "corset" restrictions limiting bank deposit growth prove painful to the banks, as they seem likely to do, their first recourse will probably be to cut back on term credits at a time when there is some evidence of an offtake in borrowing demand. FFI, of course, is unconstrained by the "corset", so hopefully the present year will see some recovery for FFI.

Inflation accounting

A waiting game

The progress of inflation accounting has slowed to a crawl. Yesterday's statement of intent from the Accounting Standards Committee that an exposure draft on the required method will be produced in just under a year's time seems designed to put the issue to sleep for the moment. Evidently the accountants are steering a careful course between pressure to end the protracted debate from within the profession and, implicitly, from Government and the EEC on the one hand and the fear of running into another revolt like the one that overturned ED 18 on the other.

The idea is to allow plenty of time for experimentation with the Hyde guidelines, which have been used by 75 per cent of the top 100 companies and 40 per cent of other quoted companies. Then the general principles, incorporating Hyde plus some balance sheet adjustments, will be stated with more detailed guidance notes. This will be compulsory, although supplementary to the main accounts, for all companies down to a yet to be decided size. The cut-off point will probably fit in with the EEC definition of a small company as below about £1.5m turnover.

This clearly represents a substantial compromise both in terms of progress and content with the original crusading zeal. Furthermore, assuming another sharp bout of inflation does not occur in the immediate future, the whole idea looks dangerously close to running out of energy both outside and inside the profession.

Economic notebook

Currency snakes and ladders

Disenchantment with floating exchange rates is not new. But it has now reached such a pitch in the capitals of Europe—and more particularly in the offices of the various heads of state—that talks on how to move away from them, at least within Europe, look set to dominate the EEC leaders' summit at Bremen today and tomorrow.

An agreement to tie all the major European currencies together in some way is now treated as a serious possibility in London as well as in Bonn and Brussels.

However, British scepticism about the feasibility of any closer currency arrangement should not be underestimated, and neither should the very real barriers—both political and economic—on which this scepticism is based.

It is fairly easy to see why both Mr Callaghan and Herr Schmidt like the idea of an exchange rate agreement, although the enthusiasm of the first has probably been over-charged.

One outstanding characteristic of the exchange markets since floating rates became wide-spread has been the wide and sometimes wild movements of rates. It is not surprising, therefore, that both Mr Callaghan and Herr Schmidt like the idea of an exchange rate agreement, although the enthusiasm of the first has probably been over-charged.

For a British Prime Minister who is at present concerned to hold the pound up and who has seen a sizable loss to the reserves in pursuit of that aim in the past few months, the opportunity to get someone else to help foot the bill is, on the face of it, one to be grabbed. For the Germans who have been engaged in resisting the rise of the Deutsche mark it is politically and technically attractive to have other big nations join in the battle.

Politically, because this would make the Germans less open to charges of presenting an over-competitive exchange rate. Technically, because lending marks to others to sell to hold down the rate does not swell the German money supply, while doing it themselves does.

Conflict

This convergence of objectives has made British entrance into a zone of currency stability a political possibility. But it masks a huge area of incompatibility and conflicting aims. The greatest hope for floating rates was that they would enable countries to pursue independent domestic economic policies with exchange rates moving to iron out any external imbalances that arose. This proved to be a vain hope—there is now almost universal recognition that the major industrialized countries have to move more or less in step if huge, and ultimately unsustainable, trade imbalances are to be avoided.

Formal coordination of exchange rate policies could be seen as merely the explicit acceptance of the need to co-ordinate economic policies. But this begs the question of which country should adapt its domestic policies to validate the fixed or near fixed exchange rate. Should the Germans stimulate demand to close their trade surplus, or should the British take action to curb their higher inflation?

No doubt those countries contemplating a European currency arrangement who now have tighter rates of inflation than the Germans' enviable 3 per cent a year would like to bring their own rates down towards it. The French appear to believe that linking their exchange rate to the mark would be almost enough on its own to do so.

Any European currency arrangement that is to last for more than a few days, or at most months, has to confront these problems. An indication of the difficulties still separates the British from the German approach is given by the three criteria which Mr Denis Healey

The EEC heads of government meet in Bremen today. Business News examines issues involved in these discussions and in the Bonn summit at the end of next week



European leaders who will play an important role at Bremen and Bonn. From the top: President Giscard d'Estaing, Chancellor Schmidt, West German Minister of Finance, Hans Ehard, and Mr Callaghan.

There is probably a little of both, but it is extremely implausible that, for example, a stable or rising pound would quickly persuade British workers to settle for German sized wage increases. If the pound does not move down to reflect this then British jobs are lost to Germany. The third criterion seems to be in Mr Healey's mind. The last—and least controversial—British criterion is for large-scale credit facilities in a pooling of reserves to counter the increased risk of speculative attack on currencies in a fixed rate system.

Confused

The German position appears fairly clear. They want to prevent a rise in their real exchange rate, and possibly to engineer a fall. The latter would come if nominal rates remained steady while the Germans' prices rose less than elsewhere.

The British are more confused. They have been confused enough to have a significant disagreement anyway during the last year on the desirable level for the pound.

One strand of thought is that a steady state of nominal rates would help British inflation. To the extent that it does a stable nominal rate would also mean a stable real rate. However, if British inflation continues to be faster than average, resources should be given to Britain to compensate for the rising real rate. The deeper strand is that if the real rate is very large and damaging, a change in the nominal exchange rate should then be allowed.

Caroline Atkinson

Uncertain footing on the summit

Only a political miracle can now produce a substantive success from the two-day summit of the EEC heads of government at Bonn, and the world summit at Bonn. And few of those involved believe in miracles.

For tomorrow sees the final hands in a desperate game of poker that has been going on for months. The principal players are still the United States, Japan, West Germany and ourselves. To stay with the poker metaphor, it is time to see whether the cards are stacked against the West, or whether the hands held are better than the odds.

The stakes are high because, if Bonn ends with no more than the traditional "full understanding of mutual problems, following a full and frank exchange of views" the seeds of anti-challenge will do much to undermine the already undermined fabric of the free world economic system.

More precisely, if those like the Germans and Japanese, who want advances towards monetary stability, do not get it, they will not deliver what is needed to produce faster growth, without which the present steady slide towards protectionism within the system will become a headlong rush, led by countries like the United Kingdom and the United States.

Those who are going to Bremen and Bonn can see all this well enough. Each has long been clear what he would like his colleagues to do. The problem comes from the fact that each is unable to deliver his own required contribution to the desired and desirable outcome. In large measure this is because, whatever the common purpose and understanding between them as individuals, the principal actors are in very weak domestic political positions.

To start from the top, President Carter has enjoyed the most rapid decline in popularity of any American president in modern history. He has been less than forthcoming to Congress than any president since President Kennedy.

The result is that he has not been able to get his energy legislation, which for its own sake and because of its direct and psychological links with the strength of the dollar, was closing ranks in the Congress. The energy package was maulled from the start. Now, each time there appears to be the required political compromise to get the rest of it moving, it crumbles within days.

He has indicated that, in the absence of outward and visible progress on the Energy Bill, he would be prepared to take executive action to control oil imports. The assumption has been that this would be in the form of fees levied on oil imports.

Despite the vote in the Senate, sprung by Senator Robert Dole of Kansas last month, to curtail his power to do so, the court and technical ways of doing it. Such a move, however, would cut the ground from under the feet of the moderates within Opec, above all the Saudi Arabians, who have been fighting the battle to prevent the curbing of raising the world price of oil.

Everyone knows that Bonn will have to be presented as a success. But the Americans, who never really wanted the Bonn summit for fear that it would demonstrate publicly such a degree of moral, political and intellectual bankruptcy in the industrial world, must be wishing that they had had the courage of their convictions and cancelled the whole exercise months back.

Hugh Stephenson

EVANS OF LEEDS LTD

PROPERTY INVESTMENT GROUP

Group results for the year to 31st March, 1978

- ★ Year of significant advancement.
- ★ Pre-tax profits exceed £1.5m.
- ★ Property revaluation increases shareholders' funds from £5.3m to £19.4m.
- ★ Dividend increased to maximum allowable of 797p per share.

COMPARATIVE FIGURES	1978	1977
	£	(Adjusted)
Total Revenue	2,768,344	2,116,866
Net Revenue before Tax	1,554,455	1,117,775
Net Revenue after Tax and Extraordinary Items	788,005	543,379
Dividends: Paid and Proposed	1,297p	1,184p
Earnings per 25p share	4.66p	3.99p
Fixed Asset Values	24,618,428	10,817,21

Business Diary: On board at Racal • Women's vote

progress can come quickly, even for former naval officers in half pay. When Business Diary caught up with Admiral of the Fleet Sir Edward Ashmore two months ago he was earning how to lay bricks on a home maintenance course for servicemen.

On Monday Sir Edward, chief of the Defence Staff until his retirement last summer, starts what he expects to be a full-time job on the board of the flourishing military



Sir Edward Ashmore, joining the board of Racal Electronics.

communications manufacturer, Racal Electronics. He appears tailor-made for the job, joining the Navy as a cadet in 1933, he spent the war years at sea, but much of his subsequent service career was spent in communications.

In the early 1950s, Sir Edward was assistant director of radio equipment (communications) at the Admiralty, later becoming assistant chief of staff (communications) on the staff of the Commander-in-Chief Allied Forces Northern Europe. In 1974, he was appointed First Sea Lord and Chief of the Naval Staff.

He "held the fort" as Admiral of the Fleet from February 1977, when Sir Andrew Hurrey died, before handing over to the outspoken Sir Neil Cameron in the summer of that year.

His knowledge of Racal goes back to 1965 when he got to know the group's founder Sir Raymond Brown, who was head of defence sales. Sir Edward is still on the active list of course, as an Admiral of the Fleet, but he intends fulfilling an executive role at the military electronics manufacturer.

He is not entirely sure yet what the job will entail, but he is looking forward to joining the "splendid team".

to play in deciding where mobile investment goes in the increasingly competitive international race to attract industrial development.

This much was revealed by Northern Ireland Minister of State Don Connaughton yesterday when he celebrated four years in the job. Connaughton revealed that the first big United States industrial newcomer to Northern Ireland for some years, the AVX Corporation of Great Neck, New York, waved before siding its 600-job expansion project in Coleraine, Co Londonderry.

"We were on tenterhooks and could not get them to sign on the line," he said. "It was only when I was in New York talking to other prospects that I found out why. The wives of three senior executives were over in Northern Ireland giving the place a detailed three weeks' examination from the women's point of view—houses, shopping, education, recreation, and climate, and all that kind of thing."

"They didn't even let us know they were here until they were about to go so we were unable to give them any run-around. It was only when the three wives reported back that the binding AVX decision was made."

Nigel Quiney began designing gift wraps in the "euphoric" days of the mid-sixties, largely as an antidote



Nigel Quiney, backed by one of his most recent designs, Cashmere.

to the hours spent in the family business which handles industrial wrapping paper and polythene.

His first designs were hawked round London on the back of a scooter, until an outlet was found in Carnaby Street. Now, Nigel Quiney Designs exports to some 20 countries, including Nigeria, Australia and Iceland, and has just set up a distribution centre on Long Island, backed by a sales team of 31, to serve the American market.

From a new warehouse in Islington, Quiney, who is 39, explained that he had no formal

art training. "Back in the sixties everything seemed possible."

Many of his ideas are picked up during his travels on family business. He recently visited China, Singapore and India, but his designs remain elegantly English and heavily influenced by fashion.

Quiney hopes the Americans will soon be taking about half of his sales. "It's like taking coals to Newcastle, because America is so much more advanced than Britain in packaging and gift wrapping."

Fortunately, American women are not so crafty as the men—and that means a big and varied demand for Quiney's paper. Even at a dollar a sheet.

After less than 18 months as group chief executive of W. H. Smith & Son (Holdings), the newspapers and booksellers, David Acland is being replaced. Stepping up to fill the post is Simon Hornby, until now managing director (retail).

Acland's departure—although he remains on the board as a non-executive director—has been preceded by a difference of opinion over future policy, something which happens in the best of families, Peter Bennett, WHS chairman explained yesterday. "There comes a time when genuinely held views cannot be reconciled."

Both Acland and Hornby started in the group as trainees,

following their fathers into the business. Acland, 49, joined in 1951 and, after periods as director of distribution and finance, became chief executive of W. H. Smith & Son, the operating company, in 1974.

Hornby, 43, came in as a trainee in 1958 and began work as a stationery buyer in the Sheffield wholesale house. His progress has been through the retail side of the business.

Despite the personnel changes Bennett said that radical changes in the future policy of WHS should not be expected.

As new owner of Boulestin's restaurant in London's Covent Garden, Maxwell Joseph, is the chairman of a new firm, it is a surprise that the spending of £150,000 on refurbishing the decorations. The interior, when new in 1927, merited reviews in the leading art magazines. "The deeper harmonies of the progressing meal," wrote one critic with less than complete felicity, "repeat themselves in the hangings of the incomparable dupe and sink finally to a charming close in Mr Allan Walton's corbelle a la Boullestin." Since the day of Boullestin, a failed decorator turned first of the television cooks, the glories of the restaurant have not faded so much as turned a grimy ochre, attributed to excessive exposure to cigar smoke over the years.

THE INSTITUTE OF ACCOUNTING STAFF

Launched in 1974, the Institute of Accounting Staff is the premier body for accounting staff working in firms of practising accountants and in commerce, industry and the public service. Members and students already number 11,000.

Institute members have full corporate status and the right to the designatory letters "MIAS". For membership, successful completion of the membership examination is required, together with three years' approved accountancy experience.

The Institute holds its own membership examination twice-yearly, covering financial and cost accounting, auditing and tax, together with the background subjects of business law, economic organization and data processing. Courses leading to the examination are offered by over 130 further education and correspondence colleges.

Entry requirements for student registration are four O levels at grade C or above, including English language and a numerate subject such as maths, statistics or principles of accounts. Special provisions apply to applicants aged 21 or over with previous accountancy or commercial experience.

Successful completion of the Institute's examination also provides the opportunity to register with the Association of Certified Accountants and achieve full professional status. For full details write to:—

The Secretary (IS)
The Institute of Accounting Staff
23 Bedford Square
London WC1B 3HS

FINANCIAL NEWS AND MARKET REPORTS

Stock markets

Index still drifting down as a wages battle looms

Worries of an impending wages battle over the Government's policy of strict moderation kept investors clear of the stock market yesterday.

The current economic and political uncertainties are preventing fund managers taking a view on the market and many prefer to stay on the sidelines until the outlook becomes a little clearer.

Turnover over the past 10 sessions has languished below the 5,000 mark level and there is some feeling that business may not get much brisker throughout the summer.

However, there was some cheap buying late yesterday and this combined with a technical rally took leader stocks above their worst levels of the day. The FT Ordinary share index, after dipping 2.2 at lunchtime, ended some 1.1 down at 452.0, bringing the total fall so far this week to 8.8. Some market men feel that equities could be in for a slight rally before the end of the account, as jobbers, short of stock, mark up prices to attract sellers.

British Funds did little trade with longer dated gilts ending some three eighths down on the day. The long tap is now trading at a discount of around 1.75 below the issue price.

The prospect that the Post Office monopoly over car phone links into the public network might be broken is generating interest in the opportunities this would open up for Air Call, a fast-growing private company. Last year, Air Call bought 69 per cent of Jersey-based Le Vallonet Investment Trust, raising the possibility that it might reverse itself in as a way of going public. Chairman, Mr J. O. Stanley does not rule out this possibility, and shares in Le Vallonet have risen from 29p to 35p since last Friday.

At the shorter end, buyers attracted by yields of around 12 per cent, gave stocks a nudge upwards and by the close most were around a sixteenth better on the day.

"Blue chips" generally finished off the bottom with Unilever at 516p and Glaxo at 557p adding 2p and ICI at 365p, Fisons at 355p and Dunlop at 73p marking time.

Beecham, where there is talk of a European buyer waiting to take up some stock, climbed 5p to 645p.

Metal Box dipped 2p to 312p while Lucas lost 4p to 293p. Tube Investments added 2p to 340p but in contrast GEC, with figures today, fell 4p to 260p while Henry Wigfall, which improved earlier on news that the figures are to be announced on Monday, gave back 4p to 225p.

In engineering GKN marked time at 248p while John Brown, hit by profit taking, eased 2p to 380p. Final figures from Britishwhire Engineers left the shares 11p down at 100p.

Swan Hunter was suspended, a penny better at 129p, in front of the compensation terms from the Government of 81p per share. But the news came too late to effect other groups such as Yarrow, unchanged at 260p, Vosper which marked time at 158p and Vickers which firmed 2p to 158p.

In drinks, H. P. Bulmer tumbled 9p to a year's low of 116p in front of results next week but Scottish & Newcastle, with figures today, held steady at 65p.

News that the Dana Corporation take-over is not to be referred to the Monopolies Commission added 4p to Turner Manufacturing at 141p.

Games group, John Waddington added 4p to 204p in front of figures which the event proved to be disappointing, and the shares lost 2p of the gain to end at 202p.

Despite improved earnings at Frank Gates the shares fell 3p to 511p while Routledge & Kegan Paul shed 10p to 175p after the market gave a thumbs down to annual figures. Elsewhere Brickhouse Dudley added 3p to 45p.

The chairman's progress report at the annual meeting added a penny to stores group

Foster Brothers at 125p while shareholders of Sainsbury were told that market share in the current year has improved and the equity was duly marked 2p up to 192p.

Also in foods Jamaica Sugar lost 2p to 12p on a delay in negotiations for the sale of sugar estates to the National Sugar Company.

Scotcor went 5p better to 72p following the annual report while James Finlay was unmoved at 382p on its accounts.

News that a consortium is to bid for the Tyne Tees Television franchise came too late to influence the share price of parent group Trident which held steady at 48p.

Speculative interest in a thin market, where jobbers are short of stock added 5p to Carparts International while British Syntex added 2p to 58p.

Lyons saw some investment buying, rising 2p to 81p while MFI a recent firm market, came back as punters took their profits, shedding 2p to 96p.

In paper Euclaytus tumbled 13p to 57p after poor results and a dividend cut.

Guthrie went ahead again as investors reappraise the Middle East deal and the shares added a further 7p to 332p but Highlands & Lowlands gave back 7p of its recent gain to close at 128p.

Hongkong stocks were mixed. Jardine Matheson rose 6p to 290p, Swire Pacific jumped 9p to 162p but Hong Kong Land fell 15p to 155p and Hong Kong & Shanghai Bank at 349p marked time.

Pension fund opposition to the ITC deal topped 5p from Barclays at 303p but Midland added 3p to 338p and Lloyds at 250p and National Westminster at 253p held steady.

Hambros continues to be upset by the Reiksten loans slipping 5p to 155p.

In oils Thomson Organisation shot ahead adding 18p to 278p while Shell at 550p and BP at 834p added two or three pence.

In a shipping market which seems unable to find any friends Ocean Transport & Trading at 105p and P & O did at a year's low of 85p dipped a penny each while Furness Withy at 221p lost 2p and European Ferries, tipped as a likely Withy bidder, eased 1p to 123p.

In front of the IMF gold auction and in the wake of an easier metal price, gold shares dipped in light trading while insurance stocks, both composite and brokers, did little more than mark time.

In an otherwise dull property sector Centrovincial was a bright spot adding 3p to 66p.

Market chatter surrounding Wearwell is not only talking of the impending annual results but is speculating on a forthcoming rights issue. Although the group told shareholders at the interim stage that cash flow and working capital has been "further strengthened" the City still feels that some form of fund-raising will be necessary. The shares are currently standing at a year's "high" of 37p.

Equity turnover on July 4 was 547.7m. (11,538 bargains). Active stocks yesterday according to Exchange Telegraph, were Shell, ICI, GEC, Boots, BAT dtd, P & O dtd, RTZ, BP, Grand Metropolitan Hotels, BATIS ind, H. P. Bulmer, Guthrie and Wigfall.

Latest results

Company	Sales	Profits	Earnings	Div	Pay	Year's
Int or Fin	£m	£m	per share	pence	date	total
Argos Distribs (F)	49.3(26.3)	0.86(0.05)	—	—	—	—
British Miller (F)	1.0(0.97)	1.0(0.97)	7.9(7.4)	0.99(0.90)	—	1.8(1.8)
Brickhouse Dudley (F)	21.0(18.1)	2.0(1.5)	6.58(5.04)	1.5(1.4)	—	2.3(2.1)
English Clothing (F)	19.0(17.5)	1.5(1.6)	18.5(22.0)	1.85(1.62)	31/8	2.9(2.6)
Euclaytus Pulp (F)	10.5(12.4)	1.5(2.1)	27.3(33.9)	NIL(3.5)	—	4.25(5.0)
Habit Precision (I)	0.69(0.52)	0.08(0.05)	1.36(0.75)	0.55(0.49)	14/8	—
Lea (F)	0.2(0.15)	1.0(0.68)	9.5(6.7)	1.5(1.4)	22/8	1.5(1.4)
United Distillers (I)	0.3(0.17)	0.9(0.7)	—	—	—	—
Frederick Parker (I)	20.2(14.6)	3.1(2.8)	—	2.47(2.47)	3/8	—
Philips Patents (F)	4.1(3.4)	0.10(0.06)	0.9(0.5)	NIL(NIL)	—	—
Moorgate M'cCormick (F)	3.2(4.9a)	0.20(0.12)	1.35(0.86)	NIL(NIL)	4/10	4.0(3.6)
Routledge & K.P. (F)	3.2(2.7)	0.36(0.31)	17.2(12.9)	2.8(2.6)	2/10	17.0(—)
Stewart & Wigg (F)	0.26(0.29)	0.02(0.03)	30.6(36.0)	0.0(—)	—	—
J. Waddington (F)	41.3(35.8)	2.5(2.2)	19.62(27.69)	6.51(4.45)	12/8	8.25(6.45)

Dividends in this table are shown net of tax on pence per share. Elsewhere in Business News dividends are shown on a gross basis. To establish gross multiply the net dividend by 1.515. Profits are shown pre-tax and earnings are net. a=18 months.

Brickhouse exports jump 70 pc to £4.2m

Increased exports spearheaded a year of growth at Brickhouse Dudley which culminated in a 77 per cent rise in profits to £2m.

Sales of the maker and distributor of drainage products for the building and civil engineering industries went up 16 per cent to £21m over the year to March 31. Abnormally low levels of demand in this country were partly offset by a 70 per cent rise in the value of goods exported to £4.2m.

Earnings a share increased from 5.04p to 6.55p, while the final dividend of 2.35p gross makes a total of 3.53p.

Mr Michael Huxtable, the chairman, says that in spite of one of the worst winters for many years, the current year got off to a good start. He would be disappointed if first half profits were not ahead of the same period last year.

Export orders will be a critical factor, but signs of a modest improvement in the United Kingdom construction industry are beginning to show.

The group, which now exports to 25 countries mainly in the EEC, Middle East and North and West Africa, has obtained a "significant and encouraging" volume of business in the first four months of the year.

The manufacturing division has managed to secure larger volumes of the available United Kingdom business.

Further slip expected at Fredk Parker

Hard trading conditions continue to hold back Frederick Parker, one of Britain's biggest family companies, which joined the Over-the-Counter market in April 1977. Last year saw profits slip from £6m to £5.2m and now the board says that this year is unlikely to exceed that level.

The six months to March 31 have brought a rise in pre-tax profits from £2.88m to £3.1m at this construction equipment group, on turnover of £20.2m against £14.6m. The interim dividend is being held at 3.75p gross, but dividend waivers have reduced the cost from £25.4m to £23.6m.

Mr F. W. H. Parker, the chairman, says that generally business continues to be hard won because of the world economic slump. The results for the first half-year benefited from the shipping of the bulk of the equipment under a long contract for the Philippines.

Poor Christmas for J Waddington but things are now improving

By Michael Clark
A poor Christmas period coupled with difficult trading conditions in its packaging division has resulted in a "disappointing" year for John Waddington, the games and packaging group.



Mr Victor H. Watson, chairman and chief executive of John Waddington.

Figures for the full year to April 2, show pre-tax profits down by 22 per cent to £2.55m. However, on a brighter note, Mr Victor Watson, chairman, expects much better results for the current year. The group believes that the last four to six weeks have seen it reach the bottom of its trough, and now things are starting to improve.

Nevertheless, the shares slipped 2p to 200p yesterday. A final dividend of 9.5p has been recommended making a total of 17.1p gross against 9.7p in line with the forecast at the time of last year's rights issue, indicating a p/e ratio of 9.8 and a yield of 5.6 per cent.

Sales last year increased from £35.3m to £41.4m with exports accounting for about 7 per cent to 8 per cent of the total.

Most of group's exports came from its games side with its Monopoly label, which is made under licence from the United States, still proving one of the most popular.

The games and puzzles side made an overall contribution of £400,000 last year which proved negligible a rise when compared with the corresponding period. The main setback for this side came at Christmas when demand from shopkeepers proved to be well down following the previous year when they over-ordered in the expectation of a bumper Christmas and found themselves with large stocks on their hands.

A further setback for the group occurred in the second half when trading conditions for the packaging and printing industries became difficult.

However, further recent developments include the printing and sale of stamps for India and the Middle East.

The plastics division which makes carcases for the food industry continues to trade well and is only held back by the lack of production capacity.

This situation is expected to improve when the group opens its new factory on Teesside, which has been financed with the proceeds of its recent rights issue.

BSG Int buying Vega Austo Holdings lighting equipment group for £1.27m

By Michael Prest
BSG International, the Birmingham industrial holding company, is buying Vega Austo Holdings, a private company, for £1.27m.

Vega designs and makes motor vehicle lighting equipment at Droitwich and Worcester. Mr Harry Cresswell, BSG's chairman, said that Vega's activities were entirely complementary with BSG's Britax lighting concern.

Payment will be made up of £1.11m cash, and the rest by issuing 331,271 new BSG ordinary shares. The two surviving owners of Vega, who were non-executive directors, will take the cash. The shares will be issued to the two executive directors, who will stay with the company.

Vega's pre-tax profits for the year to March 31 were £263,000, after directors' remuneration and expenses of £78,000.

The book value of assets is £1.32m, but BSG believes that property revaluations would increase asset value.

Vega has two subsidiaries, Vega Auto Products and G.H. Tools. It is estimated by BSG that the new combined lighting

division could make profits of £1m. Vega's present customers include all the major United Kingdom car manufacturers and it has recently begun to export lighting products to German and French car makers. It is expected that export markets can be developed.

In the year to April, BSG made pre-tax profits of £7.7m, compared with £3.85m for the previous year. Many were increased from 4.7 to 5.3 per cent. The purchase will give BSG a strong position in the successful United Kingdom motor components business.

Bid, as 37 pc of Pyke is sold at discount

By Ray Maughan
A cash bid worth £230,000 is on the way for wholesale and retail butcher and garage proprietor, W. J. Pyke (Holdings). The offer is to be made by Mr and Mrs D. B. Thompson who have reached an agreement to buy 37.21 per cent of the shares from Mr and Mrs W. J. Pyke, Mr A. J. Pyke and Miss S. D. Pyke at a price of 30p a share. This compares with the market price of 45p.

The shares are understood to have been purchased as an investment but, to comply with the provisions of the City Code

on Takeovers and Mergers the Thompsons will make an offer at the same price to remaining Pyke shareholders.

The shares have been quoted as high as 71p this year as interest was apparently fuelled by the possibility that the United Kingdom subsidiary of South African meat group, Cyril Hurvitz, was contemplating a bid on the platform of its 23.29 per cent holding.

A close company, Pyke made a pre-tax profit of £25,000 in the year to end-June 1977 and the group's recorded peak £102,000

pre-tax three years ago. In the intervening periods, however, losses of £16,000 and then £34,000 were sustained. Net asset backing in the last published balance sheet was 30.6p per share.

Neither Mr Thompson (who is believed to have sold a substantial meat business to J. B. Eastwood some time ago) nor Mr W. J. Pyke were available for comment last night but Mr A. J. Pyke, director and company secretary was "astonished" to hear of the agreement.

The Times Awards for the Best Advertisement of a Company's Results in 1978.

We're pleased to announce that the competition is now in its fifth year.

Judging by the constant standard of first-class entries, the awards continue to arouse considerable interest.

The conditions of entry remain unchanged.

The categories in which awards will be made are listed in the final column.

The Awards.

The awards will follow the 1977 pattern, namely:

- The Grand Prix, to be held for one year awarded to the entrant whose advertisement is, in the opinion of the judges, the best submitted, irrespective of category. The Grand Prix consists of a silver trophy, specially designed for The Times by Gordon Hodgson.
 - First, second and third prizes for category winners. First prize is a beautiful sterling silver clock, based on The Times motif. Second and third placings each receive a commemorative silver medallion.
- All categories awards will be made to both the winning advertiser and agent.

The Panel of Judges.

The Awards will be made by an independent panel of judges, selected for their understanding of this specialised form of communication.

They will judge entries in accordance with the following criteria. An advertisement of a company's results, whether the Chairman's statement is or is not included in full or in abridged form, should:

- Attract the eye, by virtue of its design.
- Be easy to read, by use of skilful typography.
- Contain such information as prospective

investors or professional advisers are likely to require, including details of the business carried on by the company.

- Include, at the option of the advertiser, such illustrations, graphs, or diagrams as may be necessary to supplement (c) above.

- Leave the reader with the impression that the company concerned would be a good one to do business with, to work for, or to invest in.

Note: In the case of the categories 'Interim Results' and 'Preliminary Results' only criteria (a) to (d) will apply.

Conditions of Entry

All entries are free, but must have appeared in the pages of The Times Business News during 1978.

The following are the categories in which awards will be made:

- Annual Results.
 - Colour or black and white. Half page or larger, or equivalent.
 - Colour or black and white. Less than half page or equivalent.
- Interim Results. Colour or black and white. (All sizes.)
- Preliminary Results. Colour or black and white. (All sizes.)

The Judges will have the option of making, at their absolute discretion, special awards for the following.

- *The best advertisement by an overseas company.
- *The best advertisement smaller than 20 cms x 4 cols.
- *The advertisement which makes the most significant contribution to new and imaginative thinking in financial advertising (without necessarily

satisfying all the criteria for the Grand Prix or Category Winners).

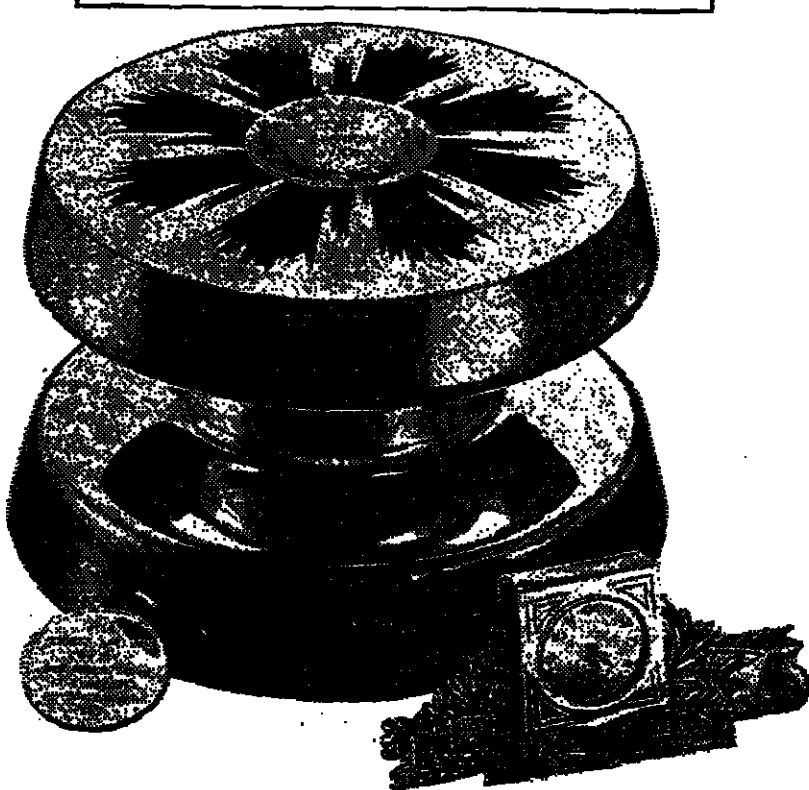
Entries will be accepted throughout the twelve month period January 1st - December 31st 1978, and should take the form of art pulls of the same size in which they actually appeared in The Times, mounted on board, with a clear indication of the category in which they are to be judged.

Six unmounted art pulls should also be provided for the use of the award judges.

They should be sent to: Michael Mander, Deputy Chief Executive and Marketing Director, The Times Awards, The Times, Printing House Square, Gray's Inn Road, London WC1X 8EZ. Tel: 01-837 1234.

Presentation of the awards will be made early in 1979.

THE TIMES
BUSINESS NEWS



FINANCIAL NEWS

European setback hits English Card Clothing

By Michael Clark

A sharp setback in the performance of its European side has resulted in the pre-tax profits of English Card Clothing, slipping from £2.86m to £2.76m in the year to April 1.

This was in spite of the fact that turnover of the manufacturer of card clothing and iron and steel wire, climbed from £17.6m to a record £19.1m.

But Mr Simon Rothery, chairman, reports that the current year has started on a steady note.

The directors have recommended a final dividend of 2.80p, making a total of 4.5p gross, against 3.9p. This gives a yield of 5.2 per cent on last night's unchanged price of 85p. A breakdown of the group's results shows United Kingdom in profits sliding from £739,000 to

£657,000 while the biggest fall occurred in the European division which has come back from £167,000 to £44,000. The only improvement was in India where the contribution improved slightly to £366,000.

Most of the group's work in India is involved in the textile side and at the moment is controlled completely by British interests.

However, this will change under Indianization and the group is making arrangements to sell to Indian subjects at least 26 per cent of the business.

At the half-way stage when pre-tax profits were down from £1.03m to £1.01m, the directors estimated that profit for the second six months would be more than for the first half-year. This is now shown to be £1.7m compared with £1.8m in the previous year.

Allied Breweries to raise stake in N S Wales firm

By Ray Maughan

Allied Breweries is to invest £4,960,000 to raise its stake in Toobey's, the New South Wales beer and wine producer, from 13.9 per cent to 21.6 per cent by subscribing for 4,600,000 9½ per cent loan notes of AS175 each. Allied is likely to consolidate this stake on conversion.

The loan notes are convertible over five years into ordinary 50-cent shares on the basis of one share for each note and will participate in any rights issues.

The cash injection will be used initially to repay Toobey's short-term borrowings, but extensions are planned for the year ending 1979 and the two New South Wales breweries at Newcastle and Sydney.

Current Australian legisla-

tion would preclude a much further increase in Allied's shareholding and the United Kingdom brewer acknowledges that brewing in Australia is very much a state business and thus there are no plans to expand outside the traditional New South Wales base.

Toobey increased pre-tax profits from AS8,900,000 to AS9,700,000 last year and by buying into an established Australian operation, Allied appears to derive considerably greater benefit in this area than Courage which attempted to start an Australian brewing subsidiary from scratch. The Imperial Group, Courage's parent, sold its Australian brewing interests recently and its aggregate deficit is externally expected to have been around £2,500,000.

Australian Smelting's £6m investment in lead industry

By Michael Prest

Investments worth AS11m (£6.77m) are to be made in the Australian lead industry by Australian Smelting and Mining.

The money will go into additions to the lead refinery at Port Pirie, New South Wales, and into a new lead dross leaching plant at Cockle Creek, in the same State.

AM & S is owned by Conzinc Riontino Australia, which in turn is 72.6 per cent controlled by Rio Tinto-Zinc, the UK mining and industrial group.

The Port Pirie refinery is owned by Broken Hill Associated Smelters, a subsidiary of AM & S. Improvements costing \$7.5m will be made to raise the quality of lead by extracting bismuth. Improvements to the alloying section are planned as well. The work is scheduled to be finished by 1980.

Expenditure at Cockle Creek will run to \$3.55m. The refinery is operated by the Sulphide Corporation, and the new plant will process by-products, which are sold overseas, to make high-grade bullion and copper sulphate.

Veba improves
Düsseldorf. — Veba's group earnings position improved over the first five months of this year with turnover up 3 per cent to DM11,400m. Some sections achieved considerably better profits, although, above all, the mineral, oil and chemical divisions faced losses.

Veba views the whole year cautiously because of the un-

International

certain economic position, but repeated its forecast, made last month, that the group's result this year should be significantly better than in 1977. — Reuter.

Sigma Motor
Johannesburg. — Sigma Motor Corp (Pty) will acquire Peugeot and Citroën South Africa (Pty), from January 1, 1979, for an undisclosed sum, the Sigma chairman, Mr. Chris Griffith, told a press conference.

Under the terms of the deal, involving gross assets of between \$30m and \$35m, Sigma will manufacture and distribute Peugeot vehicles in South Africa. Similar arrangements are being sought concerning Citroën.

Anglo American Corp of South Africa has a 75 per cent holding in Sigma and Chrysler South Africa 25 per cent. — Reuter.

Fluor Corp
Los Angeles. — Fluor Corp earnings for the third quarter, ending July 31, will be fairly strong compared with the \$1.21 a share last year, the chairman Mr. J. Robert Fluor, reported.

He said in an interview he expected higher earnings in the fourth quarter that would lift earnings above the \$4.48 a share in 1977. He said analysts' estimates, putting the company's 1978 net profit at \$4.75 a share, were a little generous and he put earnings at between \$4.48 and \$4.75 a share.

Options
Desultory business in the traded options pitch gave the market a new lunch time low of 144 contracts yesterday and only a large 50 contract deal in Grand Metropolitan in the afternoon took the day's total above the worst to 292 deals.

Commercial Union saw no trade at all and GEC, with results out today, could only manage seven contracts.

In oils, BP's July 900, with 16 deals ended on a spread of 0.1p but Shell saw a bit of business in the three month options. The July 550 lost 1p to 1p while the July 600 slipped 1p to 1p.

Grand Met July 100 slipped a penny to 2p while the October 110, with its 50 contracts, lost 1p to 4p.

Conventional options in London had a quiet day, with interest centring round GEC, Kwik-Fit and Centrovital Estates.

Trafalgar House in computers link
By Kenneth Owen

Allied Business Systems, part of the Trafalgar House group, and Business Computers (Systems) have agreed to cooperate in the manufacture and marketing of the two companies' small business computers, which range in price from £8,000 to £150,000.

ABS is acquiring the Brighton factory of Business Computers, and has an option to purchase the latter company's share capital. Both companies' products, including the ABS Multi-bus and the Business Computers Molecular ranges of computers, will be made at Brighton.

Expected turnovers for 1978 for Business Computers and ABS are £3m and £1.6m respectively. Forty per cent of the ABS production over the past two years has been exported.

Barlow join the board of Sinking Rubber Co and Majestic Investments.

Sir Frank Marshall, deputy chairman of Municipal Mutual Insurance and its subsidiaries, has been made chairman on the retirement of Sir Francis Hopwood, Lord Greenwood of Rossendale succeeds Sir Frank as deputy chairman.

Mr G. E. Darwin has become chief executive of Richardson-Wassermann, succeeding Mr A. D. Boyd, who continues as chairman.

Mr David Thorn has become general manager (finance) to the Trustee Savings Bank Central Board.

Mr A. D. Nicol has been made chairman and Mr J. Bent managing director of NEI Mining Equipment, recently formed by Northern Engineering Industries.

Mr D. Stott is now a director of J. W. Cameron.

Mr R. J. Webster becomes a

director of Alexander Howden Insurance Brokers.

Mr Alan Stacey has been made managing director of Forticrete. Mr Andrew Teare joins the board, Mr Henry Lund has resigned.

Mr William McNeill has become a director of Gateway Building Society.

Mr Derrick Hale has joined the board of Darlington & Simpson Rolling Mills as financial director.

Mr D. R. Johnson has been made managing director of Plast-clers.

Mr Ray Brett is to be the next president of the Hotel, Catering and Institutional Management Association from September 27.

Mr Jonathan Hunt, Mr Gregory O'Neill, Mr Ben Leach and Mr G. S. Smith have become partners in Sinclair, Roche and Temperley.

Mr Stuart Robertson becomes a partner in Sinclair, Roche (Hong Kong).

Mr Martin Cragg-Phillips has joined the board of Martix UK.



John Sainsbury, chairman (right) and Mr Simon Sainsbury, deputy chairman.

the announcement earlier this week that its rival, Tesco, plans to spend £100m over the next three years leaves the board of Sainsbury's distinctly "unimpressed", as it was put yesterday.

Indeed, Sainsbury's counter with the boast that its expenditure programme over the next three years will be "modest", but refuses to stick to its guns just yesterday.

Mr John Sainsbury, chairman, told shareholders at yesterday's annual meeting that the group's expansion plans in the current year include the opening of eight new supermarkets, as well as a second hypermarket.

Warning on profits at James Finlay

The plantation interests of James Finlay are likely to produce lower profits than last year, although they should still generate a useful return on the investment.

Sir Colin Campbell, chairman of this international trader and financier, points out that last year, particularly in the first four months, tea prices were high and the plantation interests produced a record result.

Since tea prices have fallen, however, though they are still well above 1975 levels.

The non-tea activities should achieve further growth, but Sir Colin thinks it is unlikely that this will compensate fully for the fall in plantation profits.

However, he believes that, overall, the group will give a good account of itself and hopes that the tax ratio will improve.

The group's most recent deal as the purchase of Seaforth Marine, a North Sea marine maintenance and servicing company, for £7.9m in shares.

It was agreed to sell 30 per cent of Seaforth to Taylor Woodrow and will grant options for Taylor to acquire a further 15 per cent over two years.

COTECOS
Mr W. R. Alexander: The trend of the 19 per cent share year, when margins were under pressure, has been reversed and the group is now equipped for a sustained period of organic growth.

He said that profits for the first half will be up and that over the all year the group will have summed its growth curve.

Mr W. B. Luke: Trading conditions became more difficult at the end of last year, particularly abroad, and are now not much better. But some of the new capital invested in various subsidiaries should begin to earn its keep, and with effort being taken to turn round the loss-makers, he expects profits to be up this year.

ASH SPINNING
Mr J. B. Brierley told the annual meeting that the group's exports since the end of March were satisfactory in all the circumstances. Internal figures were well ahead of last year, with practically no help from the temporary employment subsidy. A good forward order book was held, but the offset was the key to success in any mass-production business.

ELECTRONIC RENTALS
Mr Maurice Fry: Strong cash flow will enable group to take advantage of opportunities to expand both at home and overseas. Current year has started well and further substantial progress is expected.

FRANCIS PARKER
Mr R. K. Francis: Higher interest rates must affect results this year, but if rates do not rise further, he is confident of continuing progress towards full profitability.

BEECHWOOD CONSTRUCTION
Mr M. C. Thomas: General investment in demand reported for construction services.

ALLIANCE INV
Mr H. C. Baring: Group has

placed increasing emphasis on investment in US and Japan. In UK, group will continue to concentrate on smaller companies with good growth prospects.

SANGERS GROUP
Mr Hugh Nicholson: As part of aim to become a balanced health care group, board is expanding retail optical business.

ANTOPAGASTA
Mr G. S. Stone of Antopagasta (Chile) and Bolivia Railway says prospects are reasonably encouraging with Chile's inflation expected to be running at only 30 per cent this year.

AMBER INDUSTRIAL
Mr James Thomson: Current trading conditions give some indication that group can maintain its improved profit level with perhaps some improvement.

TEBBITT GROUP
Dr H. Fletcher: Final steps in reorganization will be taken shortly and statement will be made at annual meeting next month. There will be a further terminal loss for half year but the group will be smaller, healthier and more profitable.

CHAMBERLAIN & HILL
Mr T. Martin: Despite the encouragement of recent months the outlook is still very uncertain and it is likely that there will be under-utilization of production capacity at times throughout the next 12 months. But there has been a further significant increase in the group's overseas business.

CROSS HARBOUR TUNNEL
At the annual meeting Mr J. L. Morden said the decision of the Lands Tribunal had been delivered and had upheld a rateable value of HK\$66.5m calculated on a profit basis.

Turnover for 1977 dipped 6 per cent to £10.5m and earnings a share fell 35.3p to 27.5p. The main factor in the fall was the devaluation of the Escudo and the board will be disappointed if profits are not enough for the Portuguese operating group to maintain its dividend to shareholders.

Frank G. Gates at record
Profits of Ford main dealer Frank G. Gates rose from £687,000 to top the £1m mark for the first time over 1977. Turnover of this Woodford-based group — it covers Essex and Hertfordshire — went up from £15.6m to £20.2m. Earnings a share increased from 6.7p to 9.5p, and the dividend from 2.13p to 2.35p gross.

Habit Precision 28 per cent up
The first six months to March 31 saw a 28 per cent advance in pre-tax profits at Habit Precision Engineering, to £89,000. Turnover of the group, which is owned by Ferguson Securities, a private company registered in Northern Ireland, went up 30 per cent to £690,000. Earnings a share increased from 0.61p to 0.78p and the interim dividend from 0.75p to 0.83p gross.

The board is confident that the group will continue to make progress. The joint venture, Dessau-Habit Inc. is going well and is expected to make a useful contribution to profits next year.

Business appointments
New chief executive for W H Smith
Mr S. M. Hornby has succeeded Mr D. A. Acland as group chief executive of W. H. Smith and Son (Holdings). Mr Acland remains a director.

Sir Edward Ashmore, Admiral of the Fleet, formerly Chief of the Defence Staff, has joined the board of Rascal Electronics.

Mr William P. Sutton, vice-president, has been made head of Citibank's national banking group in the United Kingdom.

Mr William L. Jackson has become president of the North America region by Wilkinson Match.

Mr J. McAiney takes over as general manager of the pharmaceutical division of May & Baker and has been elected to the board.

He succeeds Mr A. D. H. Self, who has retired.

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Chairmen

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James Finlay & Co., Ltd. 1977 RESULTS

"I am pleased to report that results for 1977 were once again an all time record."

Sir Colin Campbell, Bart, M.C., Chairman.

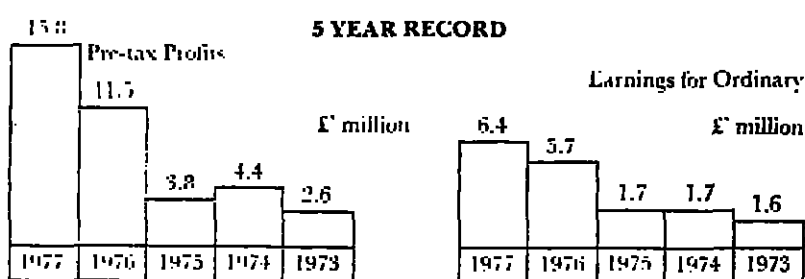
	1977 £'000	1976 £'000	Increase
Pre-tax profits	15,780	11,528	37%
Earnings for Ordinary Stock	6,405	5,723	12%
Earnings per Ordinary Stock Unit	61.5p	54.9p	12%
Net Tangible Assets for Ordinary Stock	48,926	34,055	44%
Net Tangible Assets per Ordinary Stock Unit	469.7p	326.7p	44%
Gross Assets	99,374	76,794	29%

1977 HIGHLIGHTS

- Group Results All Time Record.
- Record Year in Confectionery and Beverage Manufacture.
- Short Term Liquid and Realisable Assets exceed £10 million.

1978 TO DATE

- Seaforth Maritime Limited—Offer in Progress.
- North Sea Exploration Interests valued at £13.8 million.



Copies of the 1977 Annual Report can be obtained from The Secretary at Finlay House, 10-14 West Nile Street, Glasgow G1 2PP.

BPB INDUSTRIES LTD

PLASTER,



£5,000+ Appointments



ELSEVIER'S SCIENCE DIVISION, Jan van Galenstraat 335, Amsterdam publisher of English language scientific books and journals requires a

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The man or woman appointed to this important new position based in Amsterdam will plan and implement campaigns to increase subscriptions to the more than 300 advanced-level journals published by the companies within the Division.

Required: Sales and/or promotion experience in scientific/technical publishing, preferably journals. Promotional imagination and flair. Administrative ability.

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ELSEVIER

Research Economist

St. Quintin Son & Stanley, an expanding firm of Chartered Surveyors with offices in London, Leeds and Brussels, are actively searching for a Research Economist.

The job would suit an economics graduate, preferably in urban economics, land economics or urban geography or someone with some experience in statistical research and an interest in commercial property.

Duties will include the gathering, analysis and dissemination of commercial property market data for the U.K. and western Europe, from source and in conjunction with an established Information Department.

The successful candidate will be able to utilise the data to monitor trends in value and competing forms of investment and assist in the preparation of an annual review.

He/she will also be required to contribute statistical and qualitative information for specific valuation reports and demonstrate an ability for liaison at all levels.

Salary will be according to age, qualifications and experience. Certain fringe benefits are also available.

Applications in writing including a c.v. should be sent to J. S. Boreham, Esq., F.C.A. at St. Quintin Son & Stanley's London office.

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QUEEN ST. PLACE
LONDON EC4R 1ES**

Fashion and Communications Manager

The opportunity is to work at all levels within the industry creating the climate for the translation of new fashion ideas into ranges of shoes for home and export markets. Intelligent communication with the media and imaginative handling of consumer issues will be an essential part of this job. Some travel will necessarily be involved.

Qualifications should preferably include some experience of the generation of fashion ideas though not at all necessarily in the footwear industry, and enough personal presence and enthusiasm to learn to deal with a variety of topics in an interesting way. The appointment will be made on evidence of talent rather than experience.

Age will probably be between 30 and 40. Salary will depend on the person to a large degree but is expected to be in the range £6,000 to £8,500 per annum with normal employment benefits.

Applications are invited including brief career history and should be addressed to Mr. M. O. Feilden, Director General.

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72 Dean Street, London, W.1,
and will be treated in strict confidence.**

MAPLE & COMPANY LTD.

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GENERAL MANAGER

for their Richmond Branch

Ideally applicants will have several years experience at management level in furniture retailing although consideration will be given to applicants whose experience and progress to date in furniture retailing indicate readiness for management responsibility. High basic salary and bonus incentive scheme giving potential earnings well in excess of £5,000 p.a. Excellent promotion prospects.

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NEWLY QUALIFIED or good final Chartered Accountant for prestigious position in first class City Company. £5,000 negotiable.

TAX CONSULTANT minimum 2 years' experience in this type of work. Working for top City Chartered Accountants. £6,000 negotiable.

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The leading distribution company for the Book Publishing industry requires a Senior Transport Manager/ESS, to be based at the main depot and head office in N.W. London. Applicants should have at least 7 years' experience in the transport industry, and the post being advertised is unlikely to be suitable to anyone currently earning less than £5,000 p.a.

The main qualities required in the job are: Professional competence in transport. A strong and proven record in team management. Experience of union procedures and industrial relations.

Applicants should write sending details of their career to date to:

**The Operations Director, P.B.D.S. Ltd.,
P.O. Box 30, North Circular Road,
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EDITORS c. £5500

Octopus Books requires two additional experienced editors for work on CHILDREN'S BOOKS and GENERAL BOOKS.

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They will enjoy working in a young and energetic environment, and the further opportunity to learn a great deal about international publishing.

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**Ronald Setter, Publishing Director,
Octopus Books Ltd.,
59 Grosvenor Street, London W.1.**



Voluntary Service Overseas

FINANCIAL CONTROLLER

VSO is an international charity deploying 1,000 qualified engineers, technicians, teachers, agriculturalists and others in a low-cost ethos, mainly in Africa and Asia. They work in training capacities designed to strengthen self-reliance in host countries and to minimise long-term dependence on external aid.

A new post of Financial Controller is now being created, entailing responsibility to the Director for all aspects of finance except fund-raising, and for a wide range of other administrative duties. At the level of Assistant Director, it incorporates the roles, separate until now, of Company Secretary and Chief Accountant.

Applications are invited from qualified and experienced accountants or company secretaries, or others of fully comparable background. Overseas experience will be an advantage.

£6,250-£7,500 p.a. Further details from:

**David Collett, Director,
VSO, 9 Belgrave Square
London SW1X 8PW.
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ADMINISTRATIVE MANAGER MIDDLESEX

We are looking for a good all-rounder (male/female) who can apply themselves to a number of disciplines with regard to the day to day financial administration and running of an established and growing subsidiary of an American Manufacturing Company, engaged in marketing/selling and servicing electronic equipment to OEM and end-user outlets, throughout the U.K. and Europe. Some knowledge of import/export would be essential.

An excellent salary will be paid to the right person.

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CRANFORD LANE, HARTINGTUN, MIDDLESEX**

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Only experienced persons need apply.

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INTERIOR DESIGNER

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Must have extensive technical and practical experience to handle this important position. Salary negotiable.

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OXFORD UNIVERSITY COMPUTING SERVICE

APPOINTMENT OF ADMINISTRATOR

Applications are invited for the post of Administrator in the Computing Centre, Oxford University Computing Service, 15 Tennyson Road, Oxford OX2 0NN. The post carries a salary of £5,000 p.a. (plus expenses). The Administrator is responsible to the Vice-Chancellor for the administration of the building and maintenance of stores and equipment and for the department's financial affairs. Accounting experience is essential.

Further particulars and application forms may be obtained from the Computing Centre, Oxford University Computing Service, 15 Tennyson Road, Oxford OX2 0NN. Tel. Oxford 56721. The closing date for applications is 31 July, 1978.

NOTICE

All advertisements are subject to the conditions of acceptance of Times Newspapers Limited, copies of which are available on request.

Assistant Secretary (Operations) —circa £8,000 p.a.

This is a newly created post in the Accounting Division of the Central Administrative Offices of the University. The Division provides a full range of accounting services to the Court, Senate and Senate Institutes and Activities; the Assistant Secretary (Operations) will assume overall responsibility for the work of the Cashiers, Payroll, Payments, Income, Examiner's Fees and Data Preparation Sections. Much of the Assistant Secretary's time will be spent in reviewing the processes and control within these sections and to recommend and install new procedures as appropriate. An important part of the job will be liaison with the computer specialists who service the accounting system.

Candidates should be qualified accountants, possess a good working knowledge of current financial legislation, accounting standards, internal control systems, have experience of supervising accounting staff and, preferably, have had experience with mechanised systems.

Appointment will be made within the national salary range for University Administrative Officers Grade III, currently £7,074 to £8,730 plus £450 L.A. The post is pensionable under USS and carries 6 weeks annual leave.

Further particulars are available from: The Personnel Officer, University of London, Senate House, Malet Street, London WC1E 7HU. The closing date for receipt of application (no forms) is 21st July, 1978.

University of London

EDITORIAL MANAGERS FOR OCTOPUS BOOKS LIMITED

Owing to the rapid growth of Octopus Books, which is enlisting internal reorganisation of the publishing division, three editorial publishing managers are required. Each will be responsible for broad areas of the list: (i) cookery, crafts and home interest, (ii) arts, sports and entertainment, (iii) natural history, transport and "practical" titles. In each case teams of approximately four in-house editors plus external editors and other publishing partners will report to the editorial manager, who will be responsible to the publishing director.

Candidates should have not less than six years' relevant experience and should combine creative talent with the ability efficiently to lead and administer an editorial team and to control a sizeable budget. A degree, although not essential, is desirable. Age-range c. 25-38. Salary negotiable c. £7,500 p.a., plus excellent benefits.

Applicants male/female should apply in the first instance to Roger Stacey or Sally Phillips at:

ASTRON APPOINTMENTS LIMITED

20-24 Uxbridge Street, London W8 7TA

Tel. 01-229 6423/9171

GENERAL AND MUNICIPAL WORKERS UNION HEAD OF PENSIONS AND SOCIAL SERVICES DEPARTMENT (based at Claygate, Esher, Surrey)

The department in its present form has been in existence for 5 years, under the direction of an experienced professional. The successful applicant will be responsible for the development and implementation of policy on pensions and social security matters; providing specialist advice to national and regional officials; assisting and participating in negotiations on industrial pension schemes (which requires U.K. travel); and the development of training policy in this area. He/she will also act as adviser to the GMWU on matters related to its own self-administered pension schemes.

Candidates should have an appropriate professional qualification and a sound practical knowledge of industrial pension schemes, pensions legislation and the Social Security system. Knowledge and experience of industrial relations would be a considerable advantage.

Salary negotiable: car, housing facilities if required, generous pension and other benefits.

Applications stating career to date and current salary, should be addressed to the:

**General Secretary, G.M.W.U.,
"Thorne House",
Ruxley Ridge, Claygate, Esher, Surrey,
quoting reference TC/HP.**

SENIOR DESIGN ENGINEERS

IRAN c. £15,000+

Expanding international consultancy requires several senior design engineers with extensive background in one of following disciplines: nuclear power supply, dams and water storage. Applicants will be interviewed shortly in London. If successful offered a negotiable contract package encompassing real career development potential. In the first instance phone Nick Hamilton 626 8055.

**Churchill Personnel Consultants
Alford House, 15 Wilton Road, London SW1V 1JZ. (01-828 8055,
01-828 8055/7361)**

Legal Appointments are featured every Tuesday

For details or to book your advertisement ring

01-278 9161

or Manchester 061-834 1234

Appointments Vacant also on page 8

Information Officer

For Multi-discipline Engineering and Construction Group

We are a worldwide engineering and contracting group, principally in power generation—thermal and hydro—but with many other activities in the fields of civil electrical and mechanical engineering.

The Information Department is located at our head office at Sidcup and the Information Officers provide a library and information service to management for all aspects of the Company's business.

The post calls for someone who can deal with a wide variety of enquiries, both technical and commercial, and can analyse and present information effectively. He or she must be able to develop information sources on an international basis. The person we seek will probably be a graduate or hold information/library qualifications. Previous experience on information work is essential.

We offer opportunities for further development and training, excellent salary, pension fund and flexible working hours. Assistance will be given with relocation.

Applicants should send a career summary to W. Forsyth, Whitlington, Balfour Beatty Engineering Ltd., Melton House, Sidcup, Kent DA15 7AU. Tel. 01-300 3235.

BB Balfour Beatty

THE INTERNATIONAL ENGINEERING AND CONSTRUCTION GROUP

Research Interviewers

Due to the inception of a new continuous survey we require extra interviewers in England, Scotland and Wales, to work until October 1979. In some areas it may be possible to offer additional work beyond this date.

Successful applicants will contact and interview people in their homes on government surveys and much of the work will be related to income/expenditure. A pleasant personality, reasonable appearance, and ability to talk to a wide range of people are essential. Good educational background.

Requirements: age 20-45 years. Available 3 weekdays including 3 evenings per week. Car essential except in centres of London, Birmingham, Manchester and Glasgow.

Remuneration: hourly pay rate 30p rising to 13p plus unsocial hours allowance. London weighting as applicable. Mileage allowance and other expenses paid.

Postcard (name in capitals) to: Miss Langham (T), OPCS Room 422, Dept. F/F, St. Catherine's House, 10 Kingsway, London WC2B 6JP.

Office of Population Censuses and Surveys
SOCIAL SURVEY DIVISION

Royal Scottish Museum GUIDE LECTURER

... to join the Education and Public Relations Section of the Museum. Work includes giving talks to general public, students and children on aspects of the Museum's collections of the decorative arts, the world, archaeology and ethnography; advise teachers on use of the Museum's resources; assist with schools visits and projects; and participate fully in the Museum's varied educational activities.

Candidates should normally have a degree in relevant arts subject (such as History, English, Art, History of Art, or Archaeology) or a relevant post-graduate degree, but those with appropriate qualifications and experience of special value will be considered. Some experience of lecturing/teaching highly desirable; teaching qualification advantageous.

SALARY: As Research Assistant Grade I £4,111.55 or Research Assistant Grade II £2,835.24. Level of appointment and starting salary according to age, qualifications and experience. Non-contributory pension scheme.

For further details and an application form (to be returned by 27 July 1978) write to Royal Scottish Museum, Chambers Street, Edinburgh, EH1 1JF. Please quote G(31)382.

THE BRITISH MUSEUM GRAPHIC/TYPOGRAPHIC DESIGNERS

For creative work in the Design Office, the British Museum Library, D include design of posters and other publicity material and, for exhibitions and displays, the typographic design of 99

Candidates (aged at least 20) must have been engaged in full-time work for at least 3 years (two of which must have been in a design capacity). They must also have a good knowledge of printing processes, being able to produce designs which are suitable for reproduction in black and white and in colour. They should also have had training in graphic design, or a diploma in Art and Design (Graphics) or equivalent qualification will normally be required.

The appointments will be for a period of 3 years. Starting salary £3,615 to £4,791 according to age and experience. For full details and an application form, see paragraph 28.2 1978, written to Establishments (Ref. 20.78), British Museum, London WC1N 1DG.

GRAPHICS DESIGNER

Required by the CENTRAL OFFICE OF INFORMATION in London to collaborate with graphic designers in the production of all visual material, including posters, brochures, leaflets, booklets, book covers, etc. The successful candidate will be responsible for the design and production of all visual material, including posters, brochures, leaflets, booklets, book covers, etc. The successful candidate will be responsible for the design and production of all visual material, including posters, brochures, leaflets, booklets, book covers, etc.

The post is graded Assistant Information Officer. Salary of scale £3,615 to £4,791 according to age and experience. For full details and an application form, see paragraph 28.2 1978, written to Establishments (Ref. 20.78), British Museum, London WC1N 1DG.

CENTRAL OFFICE OF INFORMATION
Adams House, Room 53, Floor 1, Holborn Viaduct
London EC1N 2PD

quoting reference number 001/EX/17/AA. Closing date for applications 27 July, 1978.

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